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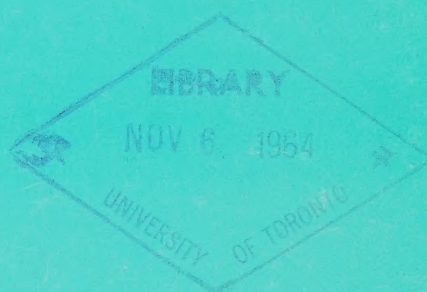


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**Thirty-Sixth Report**  
**of the**  
**Liquor Control Board**  
**of**  
**Ontario**



**FROM APRIL 1st, 1961**  
**TO**  
**MARCH 31st, 1962**



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# **Thirty-Sixth Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

**FROM APRIL 1st, 1961 TO MARCH 31st, 1962**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1963



ONTARIO



**TORONTO**

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER  
1962



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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
TORONTO 2, Ontario,  
November 30, 1962.

The Honourable Lt.-Col. John Keiller Mackay, D.S.O., V.D., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
TORONTO 5,  
Ontario.

May It Please Your Honour:

I have the honour to submit herewith the Thirty-Sixth Report of the Liquor Control Board of Ontario for the twelve-month fiscal period which ended March 31st, 1962. This report is presented pursuant to Section 14 of The Liquor Control Act of Ontario.

During this period the Board continued its liaison with its counterparts in other Provinces. I am happy to report that the Advertising Code, which was instituted in this Province, has proven successful due to the cooperation of all branches of the industry and it is interesting to note that it is under consideration by several other Provinces and has been adopted in at least one.

During the period covered by this report the Board embarked upon a program of reorganizing its business and accounting administration. This will be a continuing program, and further changes will be implemented during the coming year. Using modern business techniques, this program will streamline and simplify the Board's operations and make them more efficient and economical. The increased efficiency will make possible reduction in the staff in certain branches. Employees so affected will be absorbed in other branches as openings occur due to normal turnover, retirement, and expansion.

In this period the decision was reached to eliminate the individual liquor permit which was a source of irritation and annoyance to many of the purchasers. The control over the sale of liquor which the permit system provided was retained by providing for a penalty for making a false declaration on the purchase order form, rather than on the permit, as formerly. This change has proven to be most satisfactory in practice. Our experience has indicated that many minors are being deterred from making purchases because they hesitate risking the incurrence of a penalty at each attempt to purchase liquor. Our store employees have continued to maintain vigilance against purchases by minors and by those on the interdicted list. They cooperate closely with local authorities in these matters.

The Board continued to apply strict quality control checks on all merchandise sold, by means of its well-equipped and competently staffed laboratory. This is an aspect of the Board's operation which is not widely known but which deserves to be. In contrast to situations in many other countries and jurisdictions the Ontario purchaser can be assured of the high quality of all merchandise, both domestic and imported, which he buys. So exacting are the standards established by Ontario over the years that these have set the pattern for similar controls in other jurisdictions.

In line with the Board's policy of maintaining its property in excellent condition and providing our citizens with first rate facilities, eight older stores were replaced by new stores. In addition eight stores were renovated.

It should be emphasized that the increase in the number of stores shown in the report in no way indicates an attempt on the Board's part to promote the increased sale of liquor. The Board's policy has been and remains aimed at controlling the orderly sale of alcoholic beverages.

New stores are invariably a result of strong requests by municipal officials and citizens' groups who demand, as a matter of right, that their new or growing communities should be provided with convenient facilities for purchasing alcoholic beverages. I may say in this regard that the Board receives many more requests for new outlets than are approved each year. I assure your Honour that this Board takes very seriously the responsibility which has been placed upon it by the people of this Province who have entrusted to it the control of liquor sales. We take the view that our citizens desire, subject to reasonable controls, to be able to purchase alcoholic beverages in convenient and pleasant surroundings without feeling that they are committing any wrongdoing.

Since assuming office I have made it a point to visit all zones of operation, and as many individual stores as possible, and I am glad to report that everywhere I have found the highest standards of efficiency and friendly service. This is due to the dedication of a fine group of employees across the Province. Their reliability in carrying out their day-to-day responsibilities provides the basis for the continued successful operation of the Board.

I would like to thank Mr. William T. Murchie, Deputy Chief Commissioner, who so ably assumed extra responsibilities as Chief Executive of the Board from the date of the untimely passing of the former Chief Commissioner, the late William H. Collings, M.P.P., until my own appointment as Chief Commissioner in November, 1961. I would also like to thank Reverend A. Walter Downer, M.P.P. Board Member, Brigadier John G. Spragge, General Manager, and other members of the staff for their continued and unstinting work in carrying out their heavy responsibilities.

I have the honour to be, Sir,

Your obedient servant,

ALLAN GROSSMAN,  
Chief Commissioner.

## SALES

The sale of spirits, wine and beer from liquor stores during the twelve months amounted to \$189,219,658.24. Sales in Ontario of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$6,938,177.80. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$175,440,500.36.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1962	Twelve months ending March 31, 1961	Increase	Per- centage
Canadian Spirits . . .	\$143,617,727.03	\$137,031,821.07	\$6,585,905.96	4.8
Imported Spirits . . .	26,684,004.32	26,421,468.55	262,535.77	1.0
Canadian Wines . . .	8,926,343.66	8,223,185.35	703,158.31	8.6
Imported Wines . . .	6,044,799.29	5,599,923.74	444,875.55	7.9
Canadian Beers . . .	3,443,027.14	2,659,331.55	783,695.59	29.5
Imported Beers . . .	503,756.80	442,420.85	61,335.95	13.9
Total Sales from Liquor Stores . . .	189,219,658.24	180,378,151.11	8,841,507.13	4.9
Wineries' Sales (Canadian Wines)	6,938,177.80	6,845,796.35	92,381.45	1.3
B. & B.R.S. Sales (Canadian Beers) (exclusive of con- tainer value) . . .	175,440,500.36	173,642,598.52	1,797,901.84	1.0
	\$371,598,336.40	\$360,866,545.98	\$10,731,790.42	3.0

## SUMMARY OF TOTAL SALES

Canadian Spirits . . .	\$143,617,727.03	\$137,031,821.07	\$6,585,905.96	4.8
Imported Spirits . . .	26,684,004.32	26,421,468.55	262,535.77	1.0
Canadian Wines . . .	15,864,521.46	15,068,981.70	795,539.76	5.3
Imported Wines . . .	6,044,799.29	5,599,923.74	444,875.55	7.9
Canadian Beers . . .	178,883,527.50	176,301,930.07	2,581,597.43	1.5
Imported Beers . . .	503,756.80	442,420.85	61,335.95	13.9
	\$371,598,336.40	\$360,866,545.98	\$10,731,790.42	3.0

## SALES IN GALLONS

	Twelve months ending March 31, 1962	Twelve months ending March 31, 1961	Increase	Per- centage
Canadian Spirits . . .	5,480,648	5,238,293	242,355	4.6
Imported Spirits . . .	840,501	835,364	5,137	0.6
Canadian Wines . . .	1,589,589	1,476,923	112,666	7.6
Imported Wines . . .	509,698	473,588	36,110	7.6
Canadian Beers . . .	1,407,366	1,089,623	317,743	29.2
Imported Beers . . .	104,813	92,563	12,250	13.2
Total Sales from Liquor Stores . . .	9,932,615	9,206,354	726,261	7.9
Wineries' Sales (Canadian Wines)	1,259,035	1,242,652	16,383	1.3
B. & B.R.S. Sales (Canadian Beers)	92,788,897	91,409,611	1,379,286	1.5
	103,980,547	101,858,617	2,121,930	2.1

## SUMMARY OF TOTAL SALES

Canadian Spirits . . .	5,480,648	5,238,293	242,355	4.6
Imported Spirits . . .	840,501	835,364	5,137	0.6
Canadian Wines . . .	2,848,624	2,719,575	129,049	4.7
Imported Wines . . .	509,698	473,588	36,110	7.6
Canadian Beers . . .	94,196,263	92,499,234	1,697,029	1.8
Imported Beers . . .	104,813	92,563	12,250	13.2
	103,980,547	101,858,617	2,121,930	2.1

The Treasurer of Ontario received from the Board the sum of \$82,500,000.00 on account of profits, licence fees, etc. In addition, the Board remitted to the Treasurer of Ontario a total of \$3,173,886.75, representing Ontario Retail Sales Tax collected on sales through liquor stores. Ontario Retail Sales Tax collected on sales through retail wine stores and brewers' retail stores, and remitted to the Treasurer of Ontario, totalled \$1,739,878.94.

The Board also created a liability for payments to the various municipalities of a proportion of the fees received from licensees. Such payments totalled \$1,131,998.26 which were distributed to 265 municipalities. Payments by the Board to municipalities for grants in lieu of realty and business taxes totalled \$419,428.60.

The Dominion Government received \$59,513,746.40 during the course of the year in Customs and Excise Duties, and \$11,069,307.72 for sales tax on spirits, wines and imported beers purchased by the Board, and \$55,962,215.58 for malt duties and taxes on domestic beers and wines sold in Ontario, the total to the Dominion Government aggregating approximately \$127,000,000.00.

Therefore, the grand total of revenue payments received by the respective Dominion, Provincial and Municipal Governments was approximately \$216,000,000.00 as a result of levies on alcoholic beverages sold in Ontario during the year. This amount was exclusive of Corporation, Realty and Business Taxes paid to these Governments by the respective manufacturers and licence holders.

## STORES

The number of liquor stores in operation on March 31, 1962, was 295, twenty-four additional stores having been opened during the year at the following locations:

May	13, 1961	No. 284	Main Street	Chesley
May	19, 1961	No. 283	Bay Street South	Tobermory
June	9, 1961	No. 271	*Albert & Josephine Streets	Wingham
June	9, 1961	No. 278	*12329 Tecumseh Road East	Tecumseh
June	16, 1961	No. 270	*401 Huron Street	Goderich
June	29, 1961	No. 286	Main Street East	Kingsville
June	30, 1961	No. 290		Loring
June	30, 1961	No. 292		Ear Falls
July	5, 1961	No. 288	14 West End Plaza	Barrie
July	6, 1961	No. 263	*115 Church Street	Bowmanville
July	7, 1961	No. 291		Ignace
July	28, 1961	No. 282	95 Maple Street	Clinton
July	29, 1961	No. 268	*309 Dumfries Street	Caledonia
August	11, 1961	No. 277	*Union Street	Forest
August	25, 1961	No. 275	*146 Main Street South	Exeter
August	25, 1961	No. 276	*Main Street	Listowel
September	1, 1961	No. 285	Highway No. 11	Emo
October	6, 1961	No. 289	Station Street	St. Mary's
October	27, 1961	No. 287	1737 LaSalle Boulevard	Sudbury
November	9, 1961	No. 298	162 Broadway	Orangeville
December	8, 1961	No. 293	Highway No. 9	Arthur
December	15, 1961	No. 296	*Main Street	Milverton
January	12, 1962	No. 294	*Currie & McKellar Streets	Glencoe
January	19, 1962	No. 266	*Highway No. 17	Petawawa

\*Board-owned properties

In addition eight older stores were replaced by new stores, and the addresses changed as follows:

Store No.	From	To	
19	*Rogers Road & Blackthorn Avenue	475 Rogers Road	Toronto
62	*314 Talbot Street	11 Elgin Street	St. Thomas
63	343 Queen Street East	Albert & Brock Streets	Sault Ste. Marie
69	*Church Street & Mowat Avenue	Third Street	Fort Frances
79	48 Walter Street	15 Ontario Street	Port Hope
103	Tudhope Street	139 Barber Street	Espanola
155	*227 Van Norman Street	Cumberland & Victoria	Port Arthur
230	Front & Wharf Streets	Tenth & Ottawa Streets	Keewatin

\*Board-owned properties

## BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1962, there were 16 Ontario and 3 Quebec breweries licensed to sell their products in Ontario.

Seven brewers' retail stores opened during the twelve-month period, being located at the following addresses:

May	3, 1961	No. 230	276 Broadway Street	Orangeville
November	1, 1961	No. 912	Highway No. 17 and Churchill Boulevard	Sault Ste. Marie
November	7, 1961	No. 601	1550 Scott Street	Ottawa
November	13, 1961	No. 233	Josephine Street, Highway No. 4	Wingham
January	8, 1962	No. 633	Highway No. 7	Sharbot Lake
January	15, 1962	No. 134	Main Street North	Exeter
January	24, 1962	No. 712	300 Yonge Street	Aurora

Six brewers' retail stores moved to new locations:

Store No.	From	To	
206	553 King Street West	140 Water Street	Preston
216	Market & Mill Streets	250 Delrex Market Centre	Georgetown
323	111 North Cayuga Street	Mill Street and Maple Street S.	Dunnville
630	793 Princess Street	290 Concession Street	Kingston
639	6 Ross Street	412 Main Street	Picton
677	116 Main Street East	Lansdowne Avenue and Cameron Street	Hawkesbury

During the year, the following brewers' retail stores were closed:

June	24, 1961	No. 401	194 Queen Street East	Toronto
January	13, 1962	No. 117	Main Street	Glencoe
January	31, 1962	No. 218	McKay Street	Cayuga
February	24, 1962	No. 119	217 Talbot Street	St. Thomas

The number of brewers' retail stores in operation on March 31, 1962, was 292.

**BEER SALES**

The following table shows the gallonage of Canadian Beer sold in Ontario during the years 1958 to 1962 inclusive. Sales to other Provinces and to destinations outside the Dominion are also tabled.

	1958 Gallons	1959 Gallons	1960 Gallons	1961 Gallons	1962 Gallons
Sales from liquor Stores Stock . . .	1,059,569	721,982	940,155	1,089,623	1,407,366
Sales from Brew- eries and Brewers' Retail Stores . . . . .	89,322,706	80,807,634	92,782,690	91,409,611	92,788,897
Total Ontario Sales . . . . .	90,382,275	81,529,616	93,722,845	92,499,234	94,196,263
Sales to other Provinces . . . . .	4,549,939	5,176,627	5,852,803	6,637,946	7,469,459
Export Sales . . . . .	2,491,999	2,516,962	2,548,487	2,409,911	2,268,878
	7,041,938	7,693,589	8,401,290	9,047,857	9,738,337

All brands of beer produced by the Ontario Breweries and by the Quebec Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports of all brands of spirits, wine and beer.

**WINERIES**

The number of wineries and retail wine stores operating in the Province remained at 10 and 51 respectively. One limited licence for the production of honey wine was also in effect.

On May 30, 1961, the winery retail store of Welland Winery Limited was transferred from 39 Main Street East, Welland, to 268 King Street, Welland, and on June 30th, 1961, was transferred again to 185 Pembroke Street West, Pembroke.

The following table which has been compiled from monthly reports to the Board shows the gallonnage of Canadian wine sold during the fiscal years from 1958 to 1962:

	1958 Gallons	1959 Gallons	1960 Gallons	1961 Gallons	1962 Gallons
Sales by Wineries	1,168,392	1,371,194	1,276,461	1,242,652	1,259,035
Sales by the Board	1,071,568	1,349,509	1,298,961	1,476,923	1,589,589
Total Ontario Sales . . . . .	2,239,960	2,720,703	2,575,422	2,719,575	2,848,624
Sales to other Provinces . . . . .	2,352,425	2,495,798	2,586,581	2,628,190	2,831,994
Export Sales . . . . .	3,579	1,468	1,328	1,209	1,897
	2,356,004	2,497,266	2,587,909	2,629,399	2,833,891

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1958 Tons	1959 Tons	1960 Tons	1961 Tons	1962 Tons
Grapes used in the manufacture of wine . . . . .	17,679	25,903	20,600	26,051	25,264
Grapes used in the manufacture of brandy . . . . .	.....	.....	.....	1,221	.....
Grapes used in the manufacture of concentrates . . . . .	3,050	4,193	5,272	6,727	2,973
Cherries used in the manufacture of wine . . . . .	118	23	181	71	100
	20,847	30,119	26,053	34,070	28,337

### HOME-MADE WINE PERMITS

Regulations which became effective January 1, 1940, require that any person manufacturing more than 100 gallons of home-made wine must obtain a permit from the Board. Since that date, 1,557 permits have been issued and 48 cancelled, with the result that 1,509 were in force at March 31, 1962.

**PERMITS**

Individual liquor permits issued during the year totalled 1,396,653. In addition, 1,208 special permits were issued to physicians, hospitals, etc., including 341 permits issued to druggists. The permits issued to druggists allowed them to purchase limited quantities of spirits for compounding medicine, or for use as a solvent or preservative. They were also permitted to buy rubbing alcohol for resale.

**CLASSIFICATION OF THE OFFENCES AGAINST THE LIQUOR CONTROL ACT OF  
ONTARIO ACCORDING TO THE MONTHLY CERTIFICATES RECEIVED FROM  
ONTARIO MAGISTRATES FROM APRIL 1, 1961 TO MARCH 31, 1962**

	No. of Fines	No. Com. to Jail	No. S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place . . .	11,251	1,598	202	13,051
Consumption of beer in an illegal place . . . . .	1,264	46	....	1,310
Selling liquor illegally or keeping for sale . . . . .	443	155	5	603
Consuming liquor in other than a residence . . . . .	299	21	4	324
Intoxication . . . . .	22,489	19,990	3,770	46,249
Illegal Possession . . . . .	501	89	3	593
Persons found in . . . . .	1,593	310	29	1,932
All other infractions . . . . .	8,653	2,342	398	11,393
	46,493	24,551	4,411	75,455

**FINANCIAL STATEMENTS**

The Balance Sheet and Statements of Profit and Loss and Unappropriated Surplus are reported on by Mr. H. A. Cotnam, F.C.A., the Provincial Auditor.

Current Assets totalling \$27,803,149.55 consisted of the following:

Cash on hand and in banks . . . . .	\$ 6,925,316.18
Accounts Receivable: Hospital charge sales, licence holder fees, beer levies, duty recoverable items, freight claims, fines, etc. . . . .	2,453,919.12
Inventories of liquors and supplies . . . . .	18,423,914.25
	<u>\$27,803,149.55</u>
Prepaid Charges for insurance, taxes, etc., amounted to	\$ 134,278.37

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; lands and warehouses at Fort William, and land and warehouse at Ottawa. Also included in the real estate are 66 store sites containing stores in operation; 18 store sites, against 17 of which charges have been made for costs of uncompleted store buildings, and 3 store parking lots. During the year, the Board foreclosed the mortgage on the old Fort William warehouse due to default by the mortgagee, and the property was again set up in the records at the original cost less the net amount realized from the sale. The costs of all lands and buildings incurred during the year (less \$1.00 for each unit), totalling together \$1,480,580.17 have been charged against Income. The accumulations of Reserves for Depreciation have been increased by \$339,173.13, representing the purchases, less disposals, of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$2,811,892.67 and consisted of accounts payable for liquors and supplies, accrued charges, deferred revenue, deposits, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remain the same as at the end of the previous year.

Contingent Liabilities amounted to \$20,120,627.64. These items represent the value of undelivered orders totalling \$15,475,843.17, the amount of \$4,285,362.37 for Customs and Excise Duties which are payable on the goods which were in bond in warehouse on March 31, 1962, and the liabilities for property under option and uncompleted building contracts. These contingent liabilities have no reflection on the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$189,219,658.24.

The same statement shows a gross trading profit of \$73,613,528.31 and other revenue of \$26,338,891.98 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$17,127,472.70 consisting of administrative and operating expenses (including \$769,364.46 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$82,824,947.59.

After bringing forward the net income of \$82,824,947.59, a balance in Surplus is shown of \$23,625,715.25. Conforming with the procedure of previous years, the portion of Surplus represented by Accounts Receivable, Inventories, Prepaid Charge and Net Fixed Assets amounting to \$21,012,291.74, has been shown separately as Appropriated Surplus. The remainder of \$2,613,423.51, being available for transfer to the Treasurer of Ontario, appears on the Balance Sheet as Unappropriated Surplus.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and net income are given for the twelve-month period reported upon herein and the two preceding fiscal years.

A statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year. On March 31, 1962,

the staff of the Liquor Control Board and the Liquor Licence Board numbered 2,171 employees, 132 of these being part-time or seasonally employed, compared with a total of 2,046 employees, including 115 part-time, at the previous year-end.

A classification of permits and licences issued during the fiscal year appears on the attached Schedule.

### STATEMENT SHOWING THE NUMBER OF PERMITS AND LICENCES WHICH WERE ISSUED DURING THE YEAR ENDED MARCH 31, 1962

#### Permits 1961-1962

Individual . . . . .	1,396,653
Physicians . . . . .	42
Druggists . . . . .	341
Dentists and Veterinarians . . . . .	60
Mechanical and Scientific . . . . .	274
Manufacturers . . . . .	178
Hospitals . . . . .	273 (Free)
First Aid . . . . .	40 (Free)

#### Licences 1961-1962

Breweries . . . . .	16
Wineries . . . . .	11
Sacramental Wine Vendorship . . . . .	12
Non-potable Alcohol, Storage Warehouse . . . . .	2

## LIQUOR CONTROL

## BALANCE SHEET

## ASSETS

## CURRENT ASSETS

Cash on hand, in transit and in banks. . . . . \$ 6,925,316.18

Accounts receivable. . . . . 2,453,919.12

## Inventories:

Liquors in warehouses and  
stores, at cost. . . . . \$18,281,720.19

Stationery, supplies,  
empties, etc. . . . . 142,194.06

18,423,914.25

Total Current Assets. . . . . \$27,803,149.55

PREPAID INSURANCE AND OTHER CHARGES. . . . . 134,278.37

## FIXED ASSETS

Land, at cost. . . . . \$ 2,546,386.06

Buildings, at cost. . . . . 17,523,643.44

Furniture, equipment and fixtures, at cost. . . . . 3,693,166.07

Alterations to owned and rented premises, at cost 2,243,478.73

\$26,006,674.30

Less amounts written off. . . . . 26,006,494.30

180.00

\$27,937,607.92

## Approved

J. G. SPRAGGE,  
Comptroller.

J. H. COLLINS,  
Chief Accountant.

## AUDITOR'S

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1962 and the statements of profit and loss and unappropriated surplus for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

## BOARD OF ONTARIO

March 31, 1962

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable, accrued charges, deferred revenue, etc . . . . .	\$ 2,811,892.67
--	-----------------

Total Current Liabilities . . . . .	\$ 2,811,892.67
-------------------------------------	-----------------

RESERVE FOR INSURANCE . . . . .	1,000,000.00
---------------------------------	--------------

RESERVE FOR CONTINGENCIES . . . . .	500,000.00
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## APPROPRIATED SURPLUS

Represented by accounts receivable, inventories, prepaid charges, and fixed assets . . . . .	21,012,291.74
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UNAPPROPRIATED SURPLUS . . . . .	2,613,423.51
----------------------------------	--------------

	<u>\$27,937,607.92</u>
--	------------------------

## CONTINGENT LIABILITIES

Duty on stocks in bond . . . . .	\$ 4,285,362.37
----------------------------------	-----------------

Liquors ordered but not delivered (including (duty, freight, etc.) . . . . .	15,475,843.17
---	---------------

Property under option and uncompleted building contracts . . . . .	359,422.10
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	<u>\$20,120,627.64</u>
--	------------------------

## REPORT

In my opinion the accompanying balance sheet and statements of profit and loss and unappropriated surplus present fairly the financial position of the Board as at March 31, 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

H. A. COTNAM, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers . . . . .	
Cost of Sales:	
Inventories April 1, 1961 . . . . .	\$ 16,210,225.24
Purchases . . . . .	117,677,624.88
	<hr/>
	\$133,887,850.12
Less: Inventories March 31, 1962 . . . . .	18,281,720.19
	<hr/>
Gross Profit on Sales . . . . .	

## OTHER REVENUE

Brewers' licence fees . . . . .	\$ 16,500.00
Brewers' retail store licence fees . . . . .	166,283.39
Gallonage fees on beer production—Ontario Breweries . . . .	16,066,988.13
Gallonage fees on beer sales—Extra-Provincial breweries . . .	1,083,393.94
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share) . . . . .	4,797,156.22
Fines (net) . . . . .	155,150.48
Ontario wine licence fees . . . . .	736,987.06
Permit sales . . . . .	1,398,278.00
Banquet permits . . . . .	809,495.00
Transfer fees income . . . . .	788,606.55
Interest on bank balances . . . . .	136,225.37
Remuneration for collecting Ontario Retail Sales Tax . . . . .	64,773.18
Miscellaneous receipts . . . . .	119,054.66
	<hr/>

## INCOME . . . . .

## EXPENSES

Administration and operating expenses—	
The Liquor Control Board and The Liquor Licence Board . .	\$ 15,167,602.20
Furniture, equipment and fixtures, and alterations written off—	
The Liquor Control Board and The Liquor Licence Board . . .	456,020.24
Additions to land and buildings during the year—written off .	1,480,580.17
Fire loss—Store 7 Toronto . . . . .	21,544.48
Store 15 Toronto . . . . .	1,725.61
	<hr/>

## NET INCOME . . . . .

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1962

	Percentages to Sales			Percentages to Income		
	1961-62 %	1960-61 %	1959-60 %	1961-62 %	1960-61 %	1959-60 %
\$189,219,658.24	100.00	100.00	100.00			
115,606,129.93	61.10	60.76	59.96			
\$ 73,613,528.31	38.90	39.24	40.04	73.65	73.40	74.51
26,338,891.98	13.92	14.22	13.70	26.35	26.60	25.49
\$ 99,952,420.29	52.82	53.46	53.74	100.00	100.00	100.00
17,127,472.70	9.05	8.73	8.97	17.14	16.33	16.68
\$ 82,824,947.59	43.77	44.73	44.77	82.86	83.67	83.32

## LIQUOR CONTROL BOARD OF ONTARIO

## UNAPPROPRIATED SURPLUS

For the year ended March 31, 1962

Balance, at credit, April 1, 1961 . . . . .		\$ 4,284,852.44
Add:		
Net income for the year ended March 31, 1962 . . . . .		82,824,947.59
Adjustments relating to prior years:		
Sale of land:		
Belleville . . . . .	\$62,500.00	
London . . . . .	958.00	
	<hr/>	\$63,458.00
Less:		
Fort William mortgage foreclosed:		
Principal outstanding . . . . .	\$53,724.49	
Less nominal value \$1.00 each, land and building . . . . .	2.00	
	<hr/>	\$53,722.49
Legal expenses . . . . .	355.45	
	<hr/>	54,077.94
		<hr/>
	\$ 9,380.06	
Less: Sundry adjustments . . . . .	1,235.49	
	<hr/>	8,144.57
		<hr/>
		\$87,117,944.60
Deduct:		
Payments to Treasurer of Ontario on account of profits . . . . .		82,500,000.00
		<hr/>
		\$ 4,617,944.60
Transfer to Appropriated Surplus . . . . .		2,004,521.09
		<hr/>
Balance, at credit, March 31, 1962 . . . . .		<u>\$ 2,613,423.51</u>

## LIQUOR CONTROL BOARD OF ONTARIO

ADMINISTRATION AND OPERATING EXPENSES FOR THE YEAR ENDED MARCH 31, 1962  
AND NUMBER OF EMPLOYEES ON STAFF AT MARCH 31, 1962

		Percentage to Sales	
		1961-62	1960-61
Salaries . . . . .	\$10,037,659.73	5.30%	5.29%
Rents paid, less received . . . . .	1,160,388.06	.61	.60
Travelling . . . . .	273,762.99	.15	.17
Superannuation and Retirement Fund . . . . .	533,685.24	.28	.26
Insurance . . . . .	63,721.41	.03	.03
Workmen's Compensation . . . . .	9,126.15	.01	.00
Postage . . . . .	40,306.73	.02	.02
Stationery . . . . .	319,920.26	.17	.15
Telephone and telegraph . . . . .	102,743.85	.06	.05
Protection service . . . . .	25,144.21	.01	.01
Breakage . . . . .	20,372.72	.01	.01
Light, heat and power . . . . .	305,502.10	.16	.16
Repairs and maintenance . . . . .	434,436.96	.23	.23
Sundries . . . . .	143,405.37	.08	.05
Freight and cartage . . . . .	755,514.18	.40	.41
I.B.M. rental and supplies . . . . .	103,591.90	.06	.06
Grants in lieu of realty taxes . . . . .	227,665.53	.12	.13
Grants in lieu of business taxes . . . . .	191,763.07	.10	.11
Discounts to hospitals, N.A.T.O., etc. . . . .	153,560.07	.08	.08
Truck maintenance . . . . .	4,496.56	.00	.01
Packing materials . . . . .	260,835.11	.14	.13
	<u>\$15,167,602.20</u>	<u>8.02%</u>	<u>7.96%</u>

## NUMBER OF EMPLOYEES ON STAFF

(Including temporary employees whose services are  
either part-time or seasonal)

Liquor Licence Board . . . . .	101
Chief Commissioner's Staff . . . . .	8
Personnel Department . . . . .	10
Comptroller's Staff . . . . .	5
Legal Department . . . . .	2
Laboratory Staff . . . . .	6
Accounting Department . . . . .	77
Beer and Wine Department . . . . .	26
Permit Department . . . . .	9
Realty and Maintenance Department . . . . .	15
Purchasing Department . . . . .	7
Traffic Department . . . . .	4
Customs Department . . . . .	4
Stock Administration Department . . . . .	12
Brewery Inspection Department . . . . .	45
Winery Inspection Department . . . . .	4
Store Audit Department . . . . .	24
Store Operations Department . . . . .	23
Garage . . . . .	5
Stores . . . . .	1,654
Warehouses . . . . .	130
	<hr/>
	2,171
	<hr/>







ONTARIO

# **Thirty-Seventh Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

**APRIL 1st, 1962 TO MARCH 31st, 1963**



**Thirty-Seventh Report**  
**OF THE**  
**LIQUOR CONTROL BOARD**  
**OF**  
**ONTARIO**

**FROM APRIL 1st, 1962 TO MARCH 31st, 1963**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1964



ONTARIO



TORONTO

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER  
1964



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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
TORONTO 2, Ontario,  
December 31, 1963.

The Honourable William Earl Rowe, P.C.(C.),  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour:

I have the honour to submit herewith the Thirty-Seventh Report of the Liquor Control Board of Ontario for the twelve month fiscal period which ended March 31st, 1963. This report is presented pursuant to Section 14 of the Liquor Control Act of Ontario.

During the period covered by the report, the Board continued its efforts to make available to the people of Ontario the products of the distilleries, breweries and wineries in Canada and abroad, as well as to administer the affairs of the Board and the control aspects of its responsibilities in a proper manner.

Twenty-nine additional stores were added during the fiscal year bringing the total at March 31st, 1963 to 324. These outlets were opened in areas which appeared to require better service than could be obtained from existing stores. In addition to the opening of new outlets, some existing stores were replaced and many were renovated and modernized. A feature of many new stores on the modernization program has been the adding of wine displays. In addition to the usefulness of such displays, they have added to a generally improved appearance of store interiors.

Modern business techniques are essential in the operation of the accounting and distribution aspects of the Board's operation and long term preparations for the addition of an electronic computer were undertaken. This is a continuing program which, we are confident, will result in increased efficiency and lower operating costs.

Store and warehouse inventories continued to receive constant attention, and the mechanization of some of these as well as improved manual methods in others, should result in reduced stock positions consistent with the essential availability of all items.

During the fiscal year ending March 31st, 1963 revenue payments to the Ontario Government from the Board as a result of levies on alcoholic beverages amounted to \$87,500,000.00, an increase of 6% over the previous year. In addition, retail sales tax from L.C.B.O. Stores, Brewers' Retail Stores and Retail Wine Stores totalled \$9,001,491.71.

The operations under review in this report covered a period prior to my assuming office. The policies which have proven successful in the past are being continued and others will be adopted to further increase the efficiency of the organization in its various phases in the future.

Tribute should be paid to the more than 2,000 employees throughout the Province. Their conscientious work and their fine spirit of co-operation have enabled the Board to continue its successful operation.

The co-operation and assistance extended to me by Mr. William T. Murchie, Deputy Chief Commissioner, is greatly appreciated and I would also like to thank the Reverend A. Walter Downer, M.P.P., for his efforts in a specialized area. I extend special thanks and appreciation to Brigadier John G. Spragge, General Manager, and to other executives and members of the staff for their untiring efforts and effective co-operation.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## SALES

The sale of spirits, wine and beer from liquor stores during the twelve months amounted to \$207,460,494.86. Sales in Ontario of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$6,744,498.61. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$179,757,502.96.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1963	Twelve months ending March 31, 1962	Increase	
Sales by Board Stores:				
Canadian Spirits.....	\$157,996,425.78	\$143,617,727.03	\$14,378,698.75	
Imported Spirits.....	27,465,513.79	26,684,004.32	781,509.47	
Canadian Wines.....	10,162,628.47	8,926,343.66	1,236,284.81	
Imported Wines.....	6,787,785.79	6,044,799.29	742,986.50	
Canadian Beers.....	4,466,955.88	3,443,027.14	1,023,928.74	
Imported Beers.....	581,185.15	503,756.80	77,428.35	
Total Sales by Board Stores.....	\$207,460,494.86	\$189,219,658.24	\$18,240,836.62	
Sales by Ontario Winery Stores.....	\$ 6,744,498.61	\$ 6,938,177.80	\$ 193,679.19	Dec.
Sales by Breweries and Brewers' Retail Stores (exclusive of container value)....	\$179,757,502.96	\$175,440,500.36	\$ 4,317,002.60	

## SUMMARY OF TOTAL SALES

Canadian Spirits.....	\$157,996,425.78	\$143,617,727.03	\$14,378,698.75	10.1%
Imported Spirits.....	27,465,513.79	26,684,004.32	781,509.47	2.9
Canadian Wines.....	16,907,127.08	15,864,521.46	1,042,605.62	6.6
Imported Wines.....	6,787,785.79	6,044,799.29	742,986.50	12.3
Canadian Beers.....	184,224,458.84	178,883,527.50	5,340,931.34	3.0
Imported Beers.....	581,185.15	503,756.80	77,428.35	15.4
	\$393,962,496.43	\$371,598,336.40	\$22,364,160.03	6.0%

## SALES BY GALLONS

	Twelve months ending March 31, 1963	Twelve months ending March 31, 1962	Increase	
Sales by Board Stores:				
Canadian Spirits.....	5,994,938	5,480,648	514,290	Dec.
Imported Spirits.....	826,093	840,501	14,408	
Canadian Wines.....	1,726,746	1,589,589	137,157	
Imported Wines.....	523,006	509,698	13,308	
Canadian Beers.....	1,822,860	1,407,366	415,494	
Imported Beers.....	108,878	104,813	4,065	
Total Sales by Board Stores...	11,002,521	9,932,615	1,069,906	
Sales by Ontario Winery Stores.....	1,174,806	1,259,035	84,229	Dec.
Sales by Breweries and Brewers' Retail Stores.....	94,560,910	92,788,897	1,772,013	

## SUMMARY OF TOTAL SALES

Canadian Spirits.....	5,994,938	5,480,648	514,290	9.4%
Imported Spirits.....	826,093	840,501	14,408	1.7 Dec.
Canadian Wines.....	2,901,552	2,848,624	52,928	1.9
Imported Wines.....	523,006	509,698	13,308	2.6
Canadian Beers.....	96,383,770	94,196,263	2,187,507	2.3
Imported Beers.....	108,878	104,813	4,065	3.8
	106,738,237	103,980,547	2,757,690	2.7%

The Treasurer of Ontario received from the Board the sum of \$87,500,000.00 on account of profits, licence fees, etc. In addition, the Board remitted to the Treasurer of Ontario a total of \$5,664,653.90, representing Ontario Retail Sales Tax collected on sales through liquor stores. Ontario Retail Sales Tax collected on sales through retail wine stores and brewers' retail stores, and remitted to the Treasurer of Ontario, totalled \$3,336,837.81.

The Board also created a liability for payments to the various Municipalities of a proportion of the fees received from licencees. Such payments totalled \$1,163,477.76 which were distributed to 274 Municipalities. Payments by the Board to Municipalities for grants in lieu of realty and business taxes totalled \$456,236.15.

The Dominion Government received \$65,605,602.72 during the course of the year in Customs and Excise Duties, and \$12,213,365.82 for sales tax on spirits, wines and imported beers purchased by the Board, and \$58,271,697.43 for malt duties and taxes on domestic beers and wines sold in Ontario, the total to the Dominion Government aggregating approximately \$136,000,000.00.

Therefore, the grand total of revenue payments received by the respective Dominion, Provincial and Municipal Governments was approximately \$234,000,000.00 as a result of levies on alcoholic beverages sold in Ontario during the year. This amount was exclusive of Corporation, Realty and Business Taxes paid to these Governments by the respective manufacturers and licence holders.

### SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES

	1959 Gallons	1960 Gallons	1961 Gallons	1962 Gallons	1963 Gallons
Sales to other Provinces.....	5,176,627	5,852,803	6,637,946	7,469,459	8,761,961
Export Sales.....	2,516,962	2,548,487	2,409,911	2,268,878	2,340,223
	7,693,589	8,401,290	9,047,857	9,738,337	11,102,184

All brands of beer produced by the Ontario Breweries and by the Quebec Breweries which were sold in this province were periodically analysed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to The Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

### WINERIES

The number of wineries and retail wine stores operating in the Province remained at 10 and 51 respectively. One limited licence for the production of honey wine was also in effect.

### SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES

	1959 Gallons	1960 Gallons	1961 Gallons	1962 Gallons	1963 Gallons
Sales to other Provinces.....	2,495,798	2,586,581	2,628,190	2,831,994	2,961,181
Export Sales.....	1,468	1,328	1,209	1,897	4,271
	2,497,266	2,587,909	2,629,399	2,833,891	2,965,452

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1959 Tons	1960 Tons	1961 Tons	1962 Tons	1963 Tons
Grapes used in the manufacture of wine.....	25,903	20,600	26,051	25,264	28,043
Grapes used in the manufacture of brandy.....	.....	.....	1,221	.....	.....
Grapes used in the manufacture of concentrates.....	4,193	5,272	6,727	2,973	2,905
Cherries used in the manufacture of wine.....	23	181	71	100	126
	30,119	26,053	34,070	28,337	31,074

## PERSONNEL

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1963, was as follows:

Board Members.....	3	Permit.....	9
Staffs of Departments—		Personnel.....	10
Chief Commissioner.....	5	Purchasing.....	7
General Manager.....	5	Realty and Maintenance.....	14
Accounting.....	76	Stock Administration.....	12
Beer and Wine.....	19	Stores.....	1,603
Brewery Inspection.....	23	Store Auditors.....	25
Customs.....	4	Store Operations.....	22
Garage.....	5	Traffic.....	4
Laboratory.....	5	Warehouse.....	128
Legal.....	2	Winery Inspection.....	4

## BOARD STORES

The number of board stores operated during the year was 324, which figure includes twenty-nine additional stores opened during the year at the following locations:

April	10, 1962	Water Street	Coboconk
May	4, 1962	Highways 121 and 500	Kinmount
May	25, 1962		St. Isidore de Prescott
May	26, 1962		Maxville
May	28, 1962	*Francis Street	Fenelon Falls
June	21, 1962	Highways 17 and 105	Vermilion Bay
June	29, 1962	Main Street	Athens
June	29, 1962	*37 St. James Street South	Waterford
July	18, 1962	Lake Street	Killaloe
July	26, 1962	*Mosler and Second Streets	Wasaga Beach
July	26, 1962	*King and Elgin Streets	Mount Forest
July	28, 1962	*Lake Street	Almonte
August	24, 1962	North Fitch Street	Welland
September	7, 1962	*Burleigh Road and Wellington Street	Apsley
September	13, 1962	*Post Street	Whitney
September	15, 1962	22 Garafraxa Street	Durham
October	12, 1962	Westown Plaza	London
October	13, 1962	*Queen Street	Chesterville
October	25, 1962	*New Street	Cardinal
October	26, 1962	*Queen Street	Acton
November	1, 1962	*1156 Second Avenue East	Owen Sound
December	1, 1962		Pointe au Baril
December	1, 1962		Noelville
December	7, 1962	40 Overlea Avenue	Toronto
December	7, 1962	Highway 69, North	Hanmer
February	22, 1963	Speedvale Avenue Shopping Centre	Guelph
March	1, 1963	*232 Yonge Street North	Aurora
March	8, 1963	1407 Carling Street	Ottawa
March	21, 1963	Railroad Avenue	Nakina

\*Board-owned Properties

The location of our store in Stratford was changed from 88 Ontario Street to 91 Wellington Street which is a Board-owned property.

### AGENCY STORES

Six agency stores were established during the year at the following locations:

July 27, 1962.....	Suomi
July 27, 1962.....	Kashabowie
August 1, 1962.....	Morson
August 2, 1962.....	Lac La Croix
August 8, 1962.....	Saganaga Lake
August 31, 1962.....	Lac Des Mille Lac

### BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1963, there were 15 Ontario and 3 Quebec breweries licensed to sell their products in Ontario.

The Fort William plant of Doran's Northern Ontario Breweries Limited ceased operations as a brewery on June 30, 1962.

Seven brewers' retail stores opened during the twelve-month period, being located at the following addresses:

May 14, 1962	Highway 21.....	Forest
July 6, 1962	380 Donlands Avenue.....	Toronto
October 1, 1962	529 Oakwood Avenue.....	Toronto
November 1, 1962	1155 First Avenue East.....	Owen Sound
January 17, 1963	Carling Avenue.....	Ottawa
January 24, 1963	28 Silver Street.....	Paris
January 31, 1963	Lakeshore Road.....	Keswick

Ten brewers' retail stores moved to new locations:

From	To	
68 Front Street	49 Byron Street	Trenton
12402 Tecumseh Road	12022 Tecumseh Road	Tecumseh
Bridge and William Streets	Highway 7B and Flora Street	Carleton Place
122 Richmond Street	132 Richmond Street	Chatham
629 Richmond Street	250 Piccadilly Street	London
584 Dundas Street	514 Adelaide Street	London
40 Reeve Street	86 Beale Street	Woodstock
123 Brock Street North	301 Dundas Street East	Whitby
273 Second Avenue	230 Algonquin Boulevard West	Timmins
Main Street and Fourth Avenue	101 First Street West	Geraldton

During the year, the following brewers' retail stores were closed:

April	28, 1962	2939 Bloor Street West . . . . .	Toronto
September 29, 1962		2424 Dufferin Street . . . . .	Toronto
September 29, 1962		1063 Eglinton Avenue West . .	Toronto
October 13, 1962		218 Vaughan Road . . . . .	Toronto
November 30, 1962		.....	Pointe au Baril
November 30, 1962		.....	Noelville
January 16, 1963		1310 Wellington Street . . . . .	Ottawa

The number of brewers' retail stores in operation at the year-end was 292.

## OFFENCES

A classification of the offences against the Liquor Control Act during the twelve-month period follows:

	Number of Fines	Number Committed to Jail	Number S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place . . . . .	14,112	1,179	73	15,364
Consumption of beer in an illegal place . .	935	31	.....	966
Selling liquor illegally or keeping for sale .	569	170	7	746
Consuming liquor in other than residence . .	258	36	3	297
Intoxication . . . . .	24,197	18,462	3,150	45,809
Illegal Possession . . . . .	463	135	4	602
Persons found in . . . . .	1,608	221	11	1,840
All other infractions . . . . .	10,379	2,877	201	13,457
	52,521	23,111	3,449	79,081

**PERMITS**

A classification of permits and licences issued during the year follows:

**PERMITS 1962-1963**

Physicians.....	46
Druggists.....	293
Dentists and Veterinarians.....	38
Mechanical and Scientific.....	290
Manufacturers.....	188
Hospitals.....	263 (Free)
First Aid.....	38 (Free)

**LICENCES 1962-1963**

Breweries.....	16
Wineries.....	11
Sacramental Wine Vendorships.....	12
Non-potable Alcohol, Storage Warehouse.....	2

**FINANCIAL STATEMENTS**

Current Assets totalling \$29,281,600.35 consisted of the following:

Cash on hand and in banks.....	\$ 4,111,928.56
Accounts Receivable: Hospital charge sales, licence holder fees, beer levies, duty recoverable items, freight claims, fines, etc.....	2,602,227.29
Inventories of liquors and supplies.....	22,567,444.50
	<hr/>
	\$29,281,600.35

Prepaid charges for insurance, taxes, etc. amounted to \$127,334.95.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; lands and warehouses at Fort William, and land and warehouse at Ottawa. Also included in the real estate are 81 store sites on which completed stores are located; 17 store sites, against 12 of which charges have been made for costs of uncompleted store buildings and 3 store parking lots. The costs of all lands and buildings incurred during the year (less \$1.00 for each unit), totalling together \$1,429,278.76, have been charged against Income. The accumulations of Reserves for Depreciation have been increased by \$477,666.60, representing the purchases, less disposals, of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$2,280,618.53 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, etc.

Deferred licence fees, licences, etc., totalled \$861,508.36 and appear as Deferred Revenue.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remain the same as at the end of the previous year.

Contingent Liabilities amounted to \$20,295,320.25. These items represent the value of undelivered orders totalling \$15,389,874.75, the amount of \$4,462,964.63 for Customs and Excise Duties which are payable on the goods which were in bond in warehouses on March 31, 1963, and the liabilities for property under option and uncompleted building contracts of \$442,480.87. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board Stores amount to \$207,460,494.86.

The same statement shows a gross trading profit of \$79,992,898.36 and other revenue of \$25,817,333.25 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$17,151,723.99 consisting of administrative and operating expenses (including \$822,995.12 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$88,658,507.62. After bringing forward the net income of \$88,658,507.62, a balance in Surplus is shown of \$24,767,012.41.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

A statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

## LIQUOR CONTROL

## BALANCE SHEET

## ASSETS

## CURRENT ASSETS

Cash on hand, in transit and in banks . . . . . \$ 4,111,928.56

Accounts receivable . . . . . 2,602,227.29

## Inventories:

Liquors in warehouses and  
stores, at cost . . . . . \$22,433,495.00

Stationery, supplies,  
empties, etc. . . . . 133,949.50

22,567,444.50

Total Current Assets . . . . . \$29,281,600.35

PREPAID INSURANCE AND OTHER CHARGES . . . . . 127,334.95

## FIXED ASSETS

Land, at cost . . . . . \$ 2,898,166.39

Buildings, at cost . . . . . 18,601,165.87

Furniture, equipment and fixtures, at cost . . . . . 3,942,542.09

Alterations to owned and rented premises, at cost . . . . . 2,471,769.31

\$27,913,643.66

Less amounts written off . . . . . 27,913,439.66

204.00

\$29,409,139.30

## Approved

J. G. SPRAGGE,  
General Manager.

J. H. COLLINS,  
Chief Accountant.

## AUDITOR'S

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1963 and the statements of profit and loss and surplus for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

Toronto, Ontario,  
June 27, 1963.

## BOARD OF ONTARIO

March 31, 1963

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable, accrued charges, etc.....	\$ 2,280,618.53
DEFERRED REVENUE.....	861,508.36
RESERVE FOR INSURANCE.....	1,000,000.00
RESERVE FOR CONTINGENCIES.....	500,000.00
SURPLUS .....	24,767,012.41

---



---

\$29,409,139.30

## CONTINGENT LIABILITIES

Duty on stocks in bond.....	\$ 4,462,964.63
Liquors ordered but not delivered (including duty, freight, etc.).....	15,389,874.75
Property under option and uncompleted building contracts.....	442,480.87
	<hr/>
	\$20,295,320.25

## REPORT

In my opinion the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of the Board as at March 31, 1963 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

H. A. COTNAM, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers .....	
Cost of Sales:	
Inventories April 1, 1962 .....	\$ 18,281,720.19
Purchases .....	131,619,371.31
	<hr/>
	\$149,901,091.50
Less: Inventories March 31, 1963 .....	22,433,495.00
	<hr/>
Gross Profit on Sales .....	

## OTHER REVENUE

Brewers' licence fees .....	\$ 16,500.00
Brewers' retail store licence fees .....	171,400.04
Gallonage fees on beer production—Ontario Breweries .....	16,927,864.94
Gallonage fees on beer sales—Extra-Provincial breweries .....	1,066,607.88
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share) .....	4,944,456.70
Fines (net) .....	174,426.41
Ontario wine licence fees .....	717,475.55
Miscellaneous permits .....	1,545.00
Banquet permits .....	842,700.00
Transfer fees .....	613,368.17
Interest on bank balances .....	130,978.32
Remuneration for collecting Ontario Retail Sales Tax .....	115,532.73
Miscellaneous receipts .....	94,477.51

## INCOME .....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administration and operating expenses .....	\$ 15,163,659.02
Furniture, equipment and fixtures and alterations to owned and rented premises written off .....	546,528.36
Additions to land and buildings during the year—written off ..	1,429,278.76
Stock shortages .....	12,257.85

## NET INCOME .....

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1963

	Percentages to Sales			Percentages to Income		
	1962-63 %	1961-62 %	1960-61 %	1962-63 %	1961-62 %	1960-61 %
\$207,460,494.86	100.00	100.00	100.00			
127,467,596.50	61.44	61.10	60.76			
\$ 79,992,898.36	38.56	38.90	39.24	75.60	73.65	73.40
25,817,333.25	12.44	13.92	14.22	24.40	26.35	26.60
\$105,810,231.61	51.00	52.82	53.46	100.00	100.00	100.00
17,151,723.99	8.27	9.05	8.73	16.21	17.14	16.33
\$ 88,658,507.62	42.73	43.77	44.73	83.79	82.86	83.67

## LIQUOR CONTROL BOARD OF ONTARIO

**SURPLUS**

For the year ended March 31, 1963

Balance, at credit, April 1, 1962.....		\$ 23,625,715.25
Add:		
Net income for the year ended March 31, 1963.....		88,658,507.62
		<u>\$112,284,222.87</u>
Deduct:		
Adjustments relating to prior years:		
Loss on disposal of old type order forms.	\$ 15,613.67	
Sundry adjustments.....	1,596.79	
	<u>\$ 17,210.46</u>	
Payments to Treasurer of Ontario on account of profits.....	87,500,000.00	
		<u>87,517,210.46</u>
Balance, at credit, March 31, 1963.....		<u><u>\$ 24,767,012.41</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

**ADMINISTRATION AND OPERATING EXPENSES**

For the year ended March 31, 1963

		Percentage to Sales	
		1962-63	1961-62
Salaries.....	\$10,602,556.64	5.11%	5.30%
Superannuation and Retirement Fund..	537,602.77	.26	.28
Workmen's Compensation.....	7,084.60	.00	.01
Rent.....	1,236,547.40	.60	.61
Light, heat and power.....	331,128.02	.16	.16
Premises protection.....	25,688.04	.01	.01
Repairs and maintenance.....	449,826.38	.22	.23
Insurance.....	55,447.16	.03	.03
Grants in lieu of business taxes.....	206,923.01	.10	.10
Grants in lieu of property taxes.....	249,313.14	.12	.12
Postage.....	41,866.77	.02	.02
Stationery.....	319,141.71	.15	.17
Telephone and telegraph.....	110,320.12	.05	.06
Packing material.....	269,234.13	.13	.14
Freight and cartage.....	13,846.79	.01	.40
Discounts.....	6,532.72	.00	.00
N.A.T.O. discounts.....	132,986.08	.06	.08
Agency commissions.....	15,696.44	.01	.00
Agency expenses.....	1,171.35	.00	.00
Breakages.....	23,899.76	.01	.01
Sundries.....	135,143.45	.07	.08
Travelling.....	288,692.86	.14	.15
Car and truck expense.....	5,591.85	.00	.00
Tabulating equipment rental and supplies.....	97,417.83	.05	.06
	<u>\$15,163,659.02</u>	<u>7.31%</u>	<u>8.02%</u>







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ONTARIO

# Thirty-Eighth Report

OF THE

*Ontario,*

*111* **LIQUOR CONTROL BOARD**

OF

**ONTARIO**

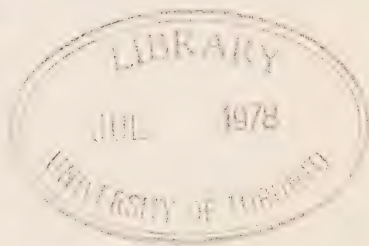
**APRIL 1st, 1963 TO MARCH 31st, 1964**



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**Thirty-Eighth Report**  
**OF THE**  
**LIQUOR CONTROL BOARD**  
**OF**  
**ONTARIO**  
**FROM APRIL 1st, 1963 TO MARCH 31st, 1964**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1965



**TORONTO**

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1965



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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
TORONTO 2, Ontario,  
December 31st, 1964.

The Honourable William Earl Rowe, P.C.(C.),  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour:

Pursuant to Section 14 of The Liquor Control Act of Ontario, I have the honour to submit herewith the Thirty-Eighth Report of the Liquor Control Board of Ontario for the twelve month fiscal period which ended March 31, 1964. This Annual Report provides details of the activities of the Board in respect to its various operations. These are chiefly centred in control aspects as well as in the efficient distribution to the people of Ontario of the products of the distilleries, breweries and wineries, both Canadian and foreign.

A total of 34 new stores were opened during the year and sales by the Board totalled \$229,543,013.56, an increase of 11% over the previous year's total. While well balanced stocks were maintained in our stores at all times, the year-end inventories of liquor stocks aggregating \$18,116,813.81, showed a decrease of almost 20% from the comparable totals at the end of the prior year. In spite of the expanding activities of the Board and increases in salaries to the staff, expenses of our Head Office declined by \$63,482.47 which is equivalent to a 3% reduction from the previous year.

The adoption of modern methods in order to increase the efficiency of all operations continues to be a major objective of the Board. During the period under review, advances were made in the use of electronic methods which will increase speed and accuracy and at the same time further reduce inventories in warehouses and stores. In due course, additional changes and improvements which are now in the planning stage will bring even greater efficiency.

A few years ago the Board adopted the policy of displaying Canadian wines in certain stores. This has now been broadened to include imported wines and other items in some stores. The total of such displays was 120 in the fiscal year under review.

During the fiscal year ending March 31, 1964, revenue payments to the Ontario Government as a result of the Board's operations amounted to \$97,100,000.00. In addition, the Board remitted to the Treasurer of Ontario a total of \$6,194,645.69 representing Ontario Retail Sales Tax collected on sales through liquor stores. The Ontario Retail Sales Tax collected through retail wine stores and brewers' retail stores, also remitted to the Treasurer of Ontario, totalled \$3,442,541.65.

The Board also created a liability for payments to various Municipalities of a proportion of the fees received from licencees. Such payments totalled \$1,257,559.81 which were distributed to 305 Municipalities. Payments by the Board to Municipalities for grants in lieu of realty and business taxes totalled \$513,318.47.

A warm tribute must be paid to the 2,106 employees of the Board whose conscientious efforts and fine co-operation have been an important factor in the successful operation of the Board's business during the past year. The thanks and appreciation of the Board is extended to all employees.

I would like also, by this means, to thank Mr. William T. Murchie the Deputy Chief Commissioner for his assistance and co-operation throughout the past year and to the Reverend A. Walter Downer, M.P.P. I should like also to express my gratitude for his efforts in the specialized area in which he works. Also, I extend my sincerest thanks and appreciation to Brigadier John G. Spragge, General Manager and to the other executives and members of the staff for their splendid efforts and assistance.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## SALES

The sale of spirits, wine and beer from liquor stores during the twelve months amounted to \$229,543,013.56. Sales in Ontario of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$6,456,224.22. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$185,184,836.08.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1964	Twelve months ending March 31, 1963	Increase	
Sales by Board Stores:				
Canadian Spirits....	\$173,223,072.27	\$157,996,425.78	\$15,226,646.49	
Imported Spirits....	30,133,026.94	27,465,513.79	2,667,513.15	
Canadian Wines....	12,192,823.47	10,162,628.47	2,030,195.00	
Imported Wines....	7,637,697.82	6,787,785.79	849,912.03	
Canadian Beers....	5,717,461.70	4,466,955.88	1,250,505.82	
Imported Beers....	638,931.36	581,185.15	57,746.21	
Total Sales by Board Stores.....	\$229,543,013.56	\$207,460,494.86	\$22,082,518.70	
Sales by Ontario Winery Stores.....	\$ 6,456,224.22	\$ 6,744,498.61	\$ 288,274.39	Dec.
Sales by Breweries and Brewers' Retail Stores (exclusive of container value)....	\$185,184,836.08	\$179,757,502.96	\$ 5,427,333.12	

## SALES BY GALLONS

	Twelve months ending March 31, 1964	Twelve months ending March 31, 1963	Increase	
Sales by Board Stores:				
Canadian Spirits.....	6,515,254	5,994,938	520,316	
Imported Spirits.....	951,429	826,093	125,336	
Canadian Wines.....	1,976,043	1,726,746	249,297	
Imported Wines.....	626,829	523,006	103,823	
Canadian Beers.....	2,295,196	1,822,860	472,336	
Imported Beers.....	139,255	108,878	30,377	
Total Sales by Board Stores...	12,504,006	11,002,521	1,501,485	
Sales by Ontario Winery Stores.....	1,099,638	1,174,806	75,168	Dec.
Sales by Breweries and Brewers' Retail Stores.....	97,256,434	94,560,910	2,695,524	

The Treasurer of Ontario received from the Board the sum of \$97,100,000.00 on account of profits, licence fees, etc. In addition, the Board remitted to the Treasurer of Ontario a total of \$6,194,645.69, representing Ontario Retail Sales Tax collected on sales through liquor stores. Ontario Retail Sales Tax collected on sales through retail wine stores and brewers' retail stores, and remitted to the Treasurer of Ontario, totalled \$3,442,541.65.

The Board also created a liability for payments to various Municipalities of a proportion of the fees received from licencees. Such payments totalled \$1,257,559.81 which were distributed to 305 Municipalities. Payments by the Board to Municipalities for grants in lieu of realty and business taxes totalled \$513,318.47.

The Dominion Government received \$67,095,409.84 during the course of the year in Customs and Excise Duties, and \$12,633,041.08 for sales tax on spirits, wines and imported beers purchased by the Board, and \$58,514,841.58 for malt duties and taxes on domestic beers and wines sold in Ontario, the total to the Dominion Government aggregating approximately \$138,000,000.00.

Therefore, the grand total of revenue payments received by the respective Dominion, Provincial and Municipal Governments was approximately \$247,000,000.00 as a result of levies on alcoholic beverages sold in Ontario during the year. This amount was exclusive of Corporation, Realty and Business Taxes paid to these Governments by the respective manufacturers and licence holders.

**SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES**

	1960 Gallons	1961 Gallons	1962 Gallons	1963 Gallons	1964 Gallons
Sales to other Provinces.....	5,852,803	6,637,946	7,469,459	8,761,961	9,697,512
Export Sales.....	2,548,487	2,409,911	2,268,878	2,340,223	2,342,888
	8,401,290	9,047,857	9,738,337	11,102,184	12,040,400

All brands of beer produced by the Ontario Breweries and by the Quebec Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to The Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

**WINERIES**

In February, 1964, Jordan Wines Limited, purchased the business of Danforth Wines Limited, and surrendered the licence of that company. Therefore, at March 31, 1964, there were 9 wineries and 51 retail wine stores in operation. One limited licence for the production of honey wine was also in effect.

On December 2, 1963, the retail wine store of London Winery Limited was moved from 609 Dundas Street East, to 623 Dundas Street East, London.

**SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES**

	1960 Gallons	1961 Gallons	1962 Gallons	1963 Gallons	1964 Gallons
Sales to other Provinces.....	2,586,581	2,628,190	2,831,994	2,961,181	3,051,286
Export Sales.....	1,328	1,209	1,897	4,271	1,156
	2,587,909	2,629,399	2,833,891	2,965,452	3,052,442

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1960 Tons	1961 Tons	1962 Tons	1963 Tons	1964 Tons
Grapes used in the manufacture of wine.....	20,600	26,051	25,264	28,043	28,231
Grapes used in the manufacture of brandy.....	.....	1,221	.....	.....	.....
Grapes used in the manufacture of concentrates.....	5,272	6,727	2,973	2,905	2,882
Cherries used in the manufacture of wine.....	181	71	100	126	33
	26,053	34,070	28,337	31,074	31,146

## PERSONNEL

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1964, was as follows:

Board Members.....	3	Permit.....	9
Staffs of Departments—		Personnel.....	8
Chief Commissioner.....	2	Purchasing.....	7
General Manager.....	5	Realty and Maintenance.....	16
Accounting.....	73	Stock Administration.....	13
Beer and Wine.....	19	Stores.....	1,725
Brewery Inspection.....	22	Store Auditors.....	25
Customs.....	4	Store Operations.....	23
Garage.....	5	Traffic.....	4
Laboratory.....	5	Warehouse.....	131
Legal.....	2	Winery Inspection.....	5

## BOARD STORES

The number of board stores operated during the year was 359, which figure includes thirty-four additional stores opened during the year at the following locations:

April	19, 1963	*3520 Dundas Street West	Toronto
May	10, 1963	*80-81 Huron Street	Watford
May	15, 1963	Batchawana P.O.	Pancake Bay
May	24, 1963		Nestor Falls
June	17, 1963		Kakabeka Falls
June	27, 1963		Foleyet
June	28, 1963	9 Kingmore Road	Kearney
July	4, 1963	128 Queen Street	Streetsville
July	18, 1963	152 Main Street North	Brampton
July	30, 1963	*136 St. Andrew Street	Mitchell
July	31, 1963	*Nelson Street	Meaford
August	3, 1963	Highway 2	Ancaster
August	10, 1963	Victoria and Parry Sound Road	Rosseau
September	7, 1963	*Catharine and Marlborough Streets	Blenheim
September	13, 1963	Highway 40	Courtright
September	19, 1963	Perth Street	Elgin
September	20, 1963	125 Stewart Blvd. and Central Ave.	Brockville
October	1, 1963	Scott and Niagara Streets	St. Catharines
October	4, 1963	Simcoe Street	Keswick
October	18, 1963	*Furnival Road	Rodney
October	24, 1963	Mill Street	Vankleek Hill
November	1, 1963	Carlaw and Bridge Streets	Port Stanley
November	7, 1963	*300 Oak Street	Hespeler
November	15, 1963	*292 Lansdowne Avenue East	Peterborough
November	22, 1963	9 Tippet Road	Downsview
November	22, 1963	5349 Lake Shore Road	Burlington
November	28, 1963	Pine Avenue and Wallace Street	Woodbridge
December	4, 1963	*169 Main Street North	Markham
December	12, 1963	2901 Bayview Avenue	Willowdale
December	16, 1963	Hamilton Street	Waterdown
January	11, 1964	*Victoria and Edna Streets	Kitchener
February	1, 1964	*Waterloo Street	New Hamburg
February	10, 1964	Highway 17 and Lake Street	Sault Ste. Marie
February	29, 1964	158 Plains Road West	Burlington

\*Board-owned Properties

In addition, three stores moved to new locations as follows:

Store No.	From	To	
13	1448 Danforth Avenue	*1145 Danforth Avenue	Toronto
70	22 Beckwith Street	Chamber Street East	Smith's Falls
305	Water Street	*7 Albert Street	Coboconk

\*Board-owned Properties

### AGENCY STORES

During the year, thirteen agency stores were in operation. This figure includes seven new agency stores established during the year at the following locations:

June 21, 1963	.....	Pickle Lake
June 27, 1963	.....	Redditt
June 28, 1963	.....	Armstrong
June 28, 1963	.....	Shining Tree
June 28, 1963	.....	Gowganda
July 4, 1963	.....	Clear Water Lake
July 26, 1963	.....	Ingolf

### BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1964, there were 15 Ontario and 3 Quebec breweries licensed to sell their products in Ontario.

Nine brewers' retail stores opened during the twelve-month period, being located at the following addresses:

June 3, 1963	Highway 26.....	Meaford
July 25, 1963	Ancaster Shopping Plaza.....	Ancaster
September 9, 1963	116 George Street.....	Brantford
October 21, 1963	1270 Woodbine Avenue.....	Toronto
November 22, 1963	218 Vaughan Road.....	Toronto
December 3, 1963	70 Weber Street.....	Waterloo
December 19, 1963	426 Muskoka Road.....	Orillia
March 23, 1964	257 Wentworth St. West.....	Oshawa
March 25, 1964	1726 Queen St. West.....	Toronto

Eight brewers' retail stores moved to new locations:

From	To	
413 Elm Street	420 Catherine Street N.	Port Colborne
114 Gilbert Street	64 Argyle Avenue	Delhi
38 Parry Sound Road	15 William Street	Parry Sound
312 Elizabeth Street	Grimsby Plaza	Grimsby
5 Harvey Street	114 Concession Street E.	Tillsonburg
2 Hanes Street	Cann and Chaffey Streets	Huntsville
465 Hamilton Road	522 Hamilton Road	London
1 Mill Street	55 Peter Street	Port Hope

During the year, the stores located at Sioux Narrows, and at 293 Niagara Street, Toronto, were closed.

Ethnic Breweries Limited was incorporated in February, 1964, for the purpose of operating a brewery in Ontario. In March, 1964, the name of Fort Frances Brewing Company Limited was changed to Beck Brewing Company Limited, and in the same month, negotiations were entered into for the purchase by Ethnic Breweries Limited of Beck Brewing Company Limited, and the transfer of its operations to Brampton, Ontario.

The number of brewers' retail stores in operation at the year-end was 302.

## OFFENCES

A classification of the offences against the Liquor Control Act during the twelve-month period follows:

	Number of Fines	Number Committed to Jail	Number S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place . . . . .	15,214	1,096	81	16,391
Consumption of beer in an illegal place . .	1,006	27	1	1,034
Selling liquor illegally or keeping for sale .	478	210	11	699
Consuming liquor in other than residence . .	312	47	3	362
Intoxication . . . . .	31,261	17,371	2,975	51,607
Illegal Possession . . . . .	377	97	5	479
Persons found in . . . . .	1,507	111	12	1,630
All other infractions . . . . .	11,336	3,737	197	15,270
	61,491	22,696	3,285	87,472

**PERMITS**

A classification of permits and licences issued during the year follows:

**PERMITS 1963-1964**

Physicians.....	38
Druggists.....	282
Dentists and Veterinarians.....	45
Mechanical and Scientific.....	296
Manufacturers.....	187
Hospitals.....	268 (Free)
First Aid.....	43 (Free)

**LICENCES 1963-1964**

Breweries.....	15
Wineries.....	11
Sacramental Wine Vendorships.....	14
Non-potable Alcohol, Storage Warehouse.....	2

**FINANCIAL STATEMENTS**

Current Assets totalling \$31,830,299.55 consisted of the following:

Cash on hand and in banks.....	\$10,763,518.83
Accounts Receivable: Hospital charge sales, licence holder fees, beer levies, duty recoverable items, freight claims, fines, etc.....	2,821,838.19
Inventories of liquors and supplies.....	18,244,942.53
	<hr/> \$31,830,299.55 <hr/>

Prepaid charges for insurance, taxes, etc., amounted to \$74,763.64.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; lands and warehouses at Fort William, and land and warehouse at Ottawa. Also included in the real estate are 88 store sites on which completed stores are located; 19 store sites, against 17 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 for each unit), totalling together \$1,365,436.98 have been charged against Income. The accumulations of Reserves for Depreciation, have been increased by \$959,221.95, representing the purchases, less disposals, of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$4,743,219.84 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, etc.

Deferred licence fees, licences etc. totalled \$874,454.87 and appear as Deferred Revenue.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amounted to \$19,373,306.63. These items represent the value of undelivered orders totalling \$16,219,347.61, the amount of \$3,130,092.69 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1964, and the liabilities for property under option and uncompleted building contracts of \$23,866.33. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board Stores amounted to \$229,543,013.56.

The same statement shows a gross trading profit of \$88,984,533.38 and other revenue of \$26,825,516.93 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$18,689,451.24 consisting of administrative and operating expenses (including \$867,695.36 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$97,120,599.07. After bringing forward the net income of \$97,120,599.07, a balance in Surplus is shown of \$24,787,611.48.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

A statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

## LIQUOR CONTROL

## BALANCE SHEET

## ASSETS

## CURRENT ASSETS

Cash on hand, in transit and in banks.....	\$10,763,518.83
--	-----------------

Accounts receivable.....	2,821,838.19
--------------------------	--------------

## Inventories:

Liquors in warehouses and stores, at cost.....	\$18,116,813.81
---	-----------------

Stationery, supplies, empties, etc.....	128,128.72
--	------------

	<u>18,244,942.53</u>
--	----------------------

	\$31,830,299.55
--	-----------------

PREPAID INSURANCE AND OTHER CHARGES.....	74,763.64
--	-----------

## FIXED ASSETS

Land, at cost.....	\$ 3,294,454.35
--------------------	-----------------

Buildings, at cost.....	19,570,333.89
-------------------------	---------------

Furniture, equipment and fixtures, at cost.....	4,280,695.39
---	--------------

Alterations to owned and rented premises, at cost.....	3,092,837.96
--	--------------

	<u>\$30,238,321.59</u>
--	------------------------

Less amounts written off.....	30,238,098.59
-------------------------------	---------------

	<u>223.00</u>
--	---------------

	<u>\$31,905,286.19</u>
--	------------------------

## Approved

J. G. SPRAGGE,  
General Manager.

J. H. COLLINS,  
Comptroller.

## AUDITOR'S

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1964 and the statements of profit and loss and surplus for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

Toronto, Ontario,  
June 29, 1964.

## BOARD OF ONTARIO

March 31, 1964

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable, accrued charges, etc.....	\$ 4,743,219.84
---	-----------------

DEFERRED REVENUE.....	874,454.87
-----------------------	------------

RESERVE FOR INSURANCE.....	1,000,000.00
----------------------------	--------------

RESERVE FOR CONTINGENCIES.....	500,000.00
--------------------------------	------------

SURPLUS .....	24,787,611.48
---------------	---------------

---



---

\$31,905,286.19

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## CONTINGENT LIABILITIES

Duty on stocks in bond.....	\$ 3,130,092.69
-----------------------------	-----------------

Liquors ordered but not delivered (including duty, freight, etc.).....	16,219,347.61
---	---------------

Property under option and uncompleted building contracts.....	23,866.33
--	-----------

---



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\$19,373,306.63

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## REPORT

In my opinion the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of the Board as at March 31, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers .....	
Cost of Sales:	
Inventories April 1, 1963 .....	\$ 22,433,495.00
Purchases .....	136,241,798.99
	<hr/>
	\$158,675,293.99
Less: Inventories March 31, 1964 .....	18,116,813.81
	<hr/>
Gross Profit on Sales .....	

## OTHER REVENUE

Brewers' licence fees .....	\$ 16,500.00
Brewers' retail store licence fees .....	174,300.00
Gallonage fees on beer production—Ontario Breweries .....	17,224,539.69
Gallonage fees on beer sales—Extra-Provincial Breweries ..	1,078,788.44
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share) .....	5,340,259.67
Fines (net) .....	197,027.04
Ontario wine licence fees .....	688,084.19
Miscellaneous permits .....	1,509.00
Banquet permits .....	857,690.00
Transfer fees .....	788,674.32
Interest on bank balances .....	216,402.12
Remuneration for collecting Ontario Retail Sales Tax .....	126,343.63
Miscellaneous receipts .....	115,398.83
	<hr/>

## INCOME .....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses .....	\$ 16,266,354.00
Furniture, equipment and fixtures and alterations to owned and rented premises written off .....	1,031,750.20
Additions to land and buildings during the year—written off ..	1,365,436.98
Stock shortages .....	25,910.06
	<hr/>

## NET INCOME .....

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1964

	Percentages to Sales			Percentages to Income		
	1963-64 %	1962-63 %	1961-62 %	1963-64 %	1962-63 %	1961-62 %
\$229,543,013.56	100.00	100.00	100.00			
140,558,480.18	61.23	61.44	61.10			
\$ 88,984,533.38	38.77	38.56	38.90	76.84	75.60	73.65
26,825,516.93	11.68	12.44	13.92	23.16	24.40	26.35
\$115,810,050.31	50.45	51.00	52.82	100.00	100.00	100.00
18,689,451.24	8.14	8.27	9.05	16.14	16.21	17.14
\$ 97,120,599.07	42.31	42.73	43.77	83.86	83.79	82.86

## LIQUOR CONTROL BOARD OF ONTARIO

**SURPLUS**

For the year ended March 31, 1964

Balance at credit, April 1, 1963.....	\$ 24,767,012.41
Add:	
Net income for the year ended March 31, 1964.....	97,120,599.07
	<hr/>
	\$121,887,611.48
Deduct:	
Payments to Treasurer of Ontario on account of profits.....	97,100,000.00
	<hr/>
Balance at credit, March 31, 1964.....	\$ 24,787,611.48
	<hr/>

## LIQUOR CONTROL BOARD OF ONTARIO

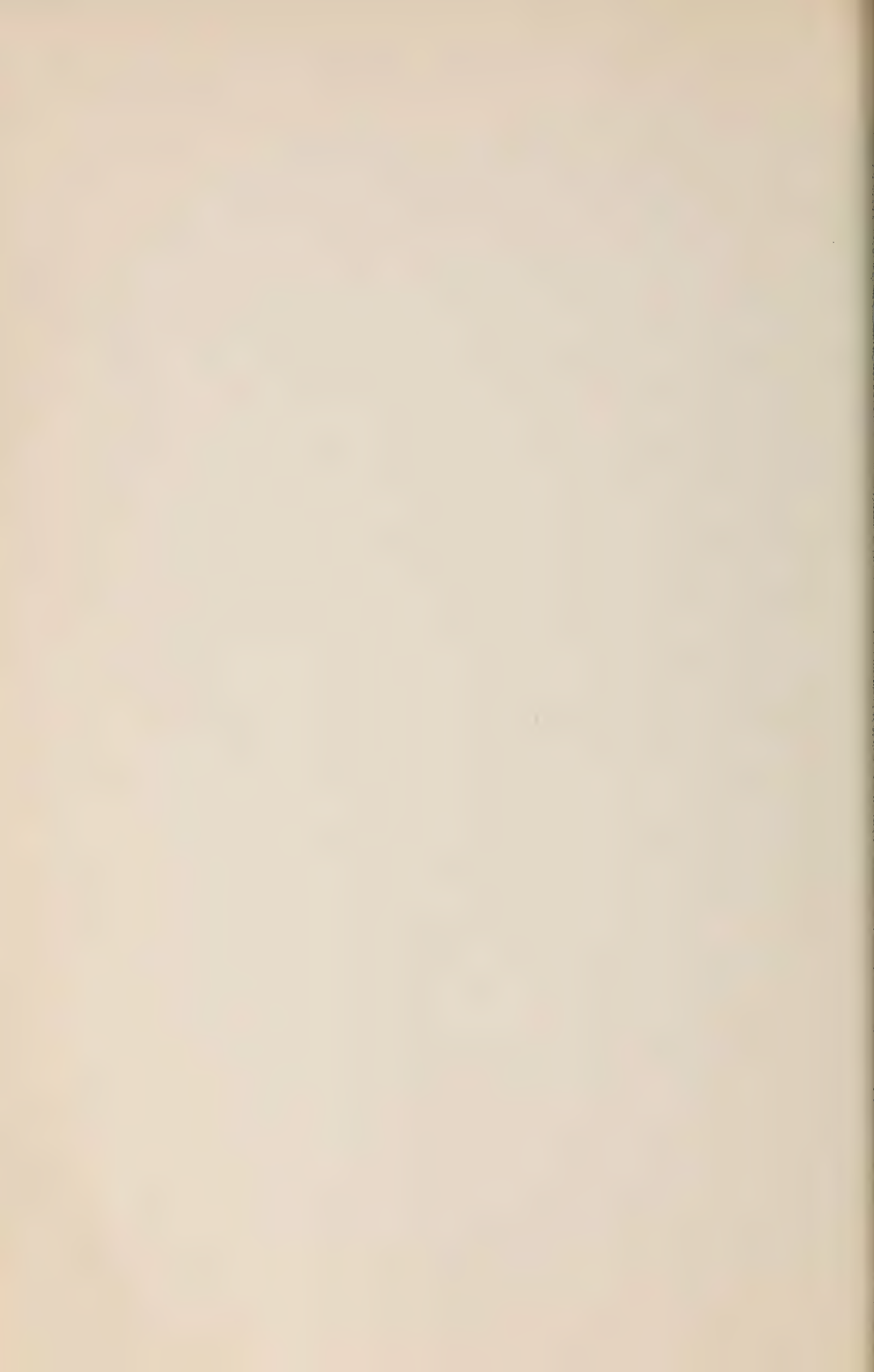
## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1964

		Percentage to Sales	
		1963-64	1962-63
Salaries.....	\$11,335,436.31	4.94	5.11
Superannuation and Retirement Fund..	588,602.85	.26	.26
Vorkmen's Compensation and Unemployment Insurance.....	26,195.63	.01	.00
ent.....	1,333,885.30	.58	.60
ight, heat and power.....	350,834.20	.15	.16
remises protection.....	32,815.67	.01	.01
repairs and Maintenance.....	533,718.02	.23	.22
nsurance.....	54,954.59	.02	.03
Grants in lieu of business taxes.....	224,612.80	.10	.10
Grants in lieu of property taxes.....	288,705.67	.13	.12
Postage.....	44,449.29	.02	.02
Stationery.....	310,668.17	.14	.15
Telephone and telegraph.....	118,183.35	.05	.05
Packing material.....	292,020.98	.13	.13
Freight and cartage.....	12,966.15	.01	.01
Discounts.....	7,902.77	.01	.00
N.A.T.O. discounts.....	73,948.66	.03	.06
Agency commissions.....	45,172.06	.02	.01
Agency expenses.....	5,287.56	.00	.00
Breakages.....	27,554.39	.01	.01
Sundries.....	145,748.82	.06	.07
Travelling.....	305,327.35	.13	.14
Car and truck expenses.....	6,449.70	.01	.00
Tabulating equipment rental and supplies.....	100,913.71	.04	.05
	<b>\$16,266,354.00</b>	<b>7.09</b>	<b>7.31</b>







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Government  
Publication



# **(Thirty-Ninth) Report**

**(OF THE)**

Ontario.

# **LIQUOR CONTROL BOARD**

**(OF)**

# **(ONTARIO)**

**APRIL 1st, 1964 TO MARCH 31st, 1965**



Publications  
-R 28

# **Thirty-Ninth Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

**FROM APRIL 1st, 1964 TO MARCH 31st, 1965**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1966



ONTARIO



TORONTO

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER

1966



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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
TORONTO 2, Ontario,  
December 31st, 1965.

The Honourable William Earl Rowe, P.C.(C.),  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour:

In accordance with Section 14 of the Liquor Control Act of Ontario, I have the honour to submit herewith the Thirty-Ninth Report of the Liquor Control Board of Ontario for the twelve month fiscal period which ended March 31, 1965. Included in the report are details of the Board's operations and activities. During the period under review, the Board continued to discharge its responsibilities under the Act relating to control and distribution. Some aspects of each will be covered in detail later in the report.

At the third session of the twenty-seventh Legislature, a large number of amendments were made in order to bring the Liquor Control Act into line with present-day requirements.

During 1964-5, ten new stores were added bringing the total to three hundred and sixty-nine. Four new agency stores were opened bringing the total of this class of outlet to seventeen. In addition, a number of outmoded stores were moved to new locations. Our new store and renovation programs have been carried out to meet our objective of providing efficient service everywhere in the province.

The volume of business continued to expand while expenses of our Head Office remained comparatively static. Total sales amounting to \$251,211,374.39 were up \$21,668,360.83 or 9.4% from the previous year's total. Head Office expenses increased by only .3% over the previous year and total Administrative and Operating expenses of the Board aggregating \$16,553,874.07, were equivalent to 6.59% of total sales.

Control over advertising, in all permissive media, has been constantly maintained to ensure that it is in good taste. The Board's Directive, as issued to the industry has received continued acceptance by the general public and has been adopted, in principle, by two other provinces.

Orders of interdiction, which now may also be issued by Magistrates and Judges of the Juvenile and Family Courts as well as County Court Judges and the Board, have continued to be of assistance in the control of abuses arising out of the use of alcohol particularly in those parts of the province outside of the metropolitan areas.

Electronic data processing machines continue to play an ever-increasing and important role in our accounting operations. New computer applications adding to the overall efficiency of our operations will be adopted next year.

Revenue payments to the Ontario Government as a result of the Board's operation amounted to \$113 million. In addition, the Board remitted to the Provincial Treasurer, a total of \$6,793,357.55 representing the Ontario Retail Sales Tax collected on sales made by L.C.B.O. stores.

Sales made through the Brewers' Retail Stores and retail wine stores yielded \$3,603,115.94 in Ontario Retail Sales Tax.

On behalf of the Board I would like to extend appreciation and thanks to the 2,220 employees of the Board whose hard work and splendid co-operation have enabled us to continue the successful operation of the Board during the year under review. Our gratitude for their efforts is extended to all employees.

I am pleased to have this opportunity to thank Mr. William T. Murchie the Deputy Chief Commissioner for his efforts and co-operation during the past year and I extend thanks, also, to the Reverend A. Walter Downer, M.P.P. for his efforts on behalf of the Board. My sincerest thanks and appreciation also to Brigadier John G. Spragge, General Manager and to all the executives and members of the staff for their co-operation and help.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## SALES

The sale of spirits, wine and beer from liquor stores during the twelve months amounted to \$251,211,374.39. Sales in Ontario of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$6,618,414.80. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$192,824,193.40.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1965	Twelve months ending March 31, 1964	Increase
Sales by Board Stores:			
Canadian Spirits.....	\$188,759,530.46	\$173,223,072.27	\$15,536,458.19
Imported Spirits.....	33,345,318.27	30,133,026.94	3,212,291.33
Canadian Wines.....	13,080,903.35	12,192,823.47	888,079.88
Imported Wines.....	9,053,372.04	7,637,697.82	1,415,674.22
Canadian Beers.....	6,215,735.18	5,717,461.70	498,273.48
Imported Beers.....	756,515.09	638,931.36	117,583.73
Total Sales by Board Stores.....	\$251,211,374.39	\$229,543,013.56	\$21,668,360.83
Sales by Ontario Wineries and Winery Stores.....	\$ 6,618,414.80	\$ 6,456,224.22	\$ 162,190.58
Sales by Breweries and Brewers' Retail Stores (exclusive of container value)....	\$192,824,193.40	\$185,184,836.08	\$ 7,639,357.32

## SALES BY GALLONS

	Twelve months ending March 31, 1965	Twelve months ending March 31, 1964	Increase	
Sales by Board Stores:				
Canadian Spirits.....	6,683,888	6,515,254	168,634	Dec.
Imported Spirits.....	984,073	951,429	32,644	
Canadian Wines.....	1,947,313	1,976,043	28,730	
Imported Wines.....	704,307	626,829	77,478	
Canadian Beers.....	2,536,841	2,295,196	241,645	
Imported Beers.....	160,301	139,255	21,046	
Total Sales by Board Stores...	13,016,723	12,504,006	512,717	
Sales by Ontario Wineries and Winery Stores.....	1,034,586	1,099,638	65,052	Dec.
Sales by Breweries and Brewers' Retail Stores.....	101,174,098	97,256,434	3,917,664	

Revenue payments totalling \$274,842,530.48 were received by the Treasurer of Ontario, the Government of Canada and by 330 Ontario Municipalities, as a result of levies on alcoholic beverages sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

Remitted by the Board—

On account of profits, licence fees, etc.... \$113,000,000.00

Ontario Retail Sales Tax on sales through  
liquor stores..... 6,793,357.55

119,793,357.55

Remitted by others—Ontario Retail Sales Tax  
on sales through retail wine stores and  
brewers' retail stores.....

3,603,115.94

\$123,396,473.49

## GOVERNMENT OF CANADA

Paid by the Board—

Customs and Excise Duties..... 72,698,183.73

Federal Sales Tax on spirits, wines and  
imported beers..... 13,941,132.26

86,639,315.99

Paid by others—Malt duties and taxes on  
domestic beers and wines.....

62,876,039.79

\$149,515,355.78

## ONTARIO MUNICIPALITIES

Paid by the Board—

Rebates of a proportion of fees received

from licencees . . . . . \$ 1,378,052.20

Grants in lieu of realty and business taxes.. 552,649.01

\$ 1,930,701.21

\$274,842,530.48

## SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES

	1961 Gallons	1962 Gallons	1963 Gallons	1964 Gallons	1965 Gallons
Sales to other Provinces . . . . .	6,637,946	7,469,459	8,761,961	9,697,512	11,606,968
Export Sales . . . . .	2,409,911	2,268,878	2,340,223	2,342,888	2,807,672
	9,047,857	9,738,337	11,102,184	12,040,400	14,414,640

All brands of beer produced by the Ontario Breweries and by the Quebec Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## WINERIES

During the year, the locations of four retail wine stores were changed as follows:

Chateau-Gai Wines Limited From 28 Simcoe Street North, Oshawa, to 180 King Street West, Hamilton

Jordan Wines Limited . . . . . From 2091 Danforth Avenue to Yorkdale Shopping Centre, Toronto

London Winery Limited . . . . . From 52 Rideau Street to 199 Bank Street, Ottawa

Welland Winery Limited . . . . . From 185 Pembroke Street West, Pembroke, to 3 King Street West, Oshawa

Strawa Honey Wines Limited opened a retail honey wine store at 643 Murphy Road, Sarnia.

At March 31, 1965, there were nine wineries and fifty-one retail wine stores in operation. Also in effect was one limited licence for the production of honey wine under which one retail honey wine store was in operation.

**SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES**

	1961 Gallons	1962 Gallons	1963 Gallons	1964 Gallons	1965 Gallons
Sales to other Provinces.....	2,628,190	2,831,994	2,961,181	3,051,286	2,824,981
Export Sales.....	1,209	1,897	4,271	1,156	1,656
	2,629,399	2,833,891	2,965,452	3,052,442	2,826,637

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1961 Tons	1962 Tons	1963 Tons	1964 Tons	1965 Tons
Grapes used in the manufacture of wine.....	26,051	25,264	28,043	29,231	26,717
Grapes used in the manufacture of brandy.....	1,221	.....	.....	.....	.....
Grapes used in the manufacture of concentrates.....	6,727	2,973	2,905	2,882	3,484
Cherries used in the manufacture of wine.....	71	100	126	33	155
	34,070	28,337	31,074	32,146	30,356

**PERSONNEL**

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1965, was as follows:

Board Members.....	3	Permit.....	9
Staffs of Departments—		Personnel.....	9
Chief Commissioner.....	3	Purchasing.....	7
General Manager.....	6	Realty and Maintenance.....	16
Accounting.....	76	Stock Administration.....	9
Beer and Wine.....	17	Stores.....	1,843
Brewery Inspection.....	22	Store Auditors.....	20
Customs.....	4	Store Operations.....	24
Garage.....	4	Traffic.....	4
Laboratory.....	5	Warehouse.....	132
Legal.....	2	Winery Inspection.....	5

2,220

**BOARD STORES**

The number of board stores operated during the year was 369, which figure includes ten additional stores opened during the year at the following locations:

April	9, 1964	381 Wilson Avenue	Downsview
April	25, 1964	1530 Albion Road	Thistletown
June	11, 1964	536 Lakeshore Drive	West Ferris
September	10, 1964	6 King Street	Frankford
December	2, 1964	415 The Westway	Weston
December	8, 1964	243 Brown's Line	Toronto
December	10, 1964	*Liverpool Road	Pickering
December	17, 1964	*Queen and Arthur Streets	Harriston
January	14, 1965	811 Chemong Road	Peterborough
March	19, 1965	108 Allan Street North	Oakville

\*Board-owned Properties

In addition, six stores moved to new locations as follows:

Store No.	From	To	
2	122 Wellington Street West	116 Wellington Street West	Toronto
24	216 King Street	144 Clarence Street	Port Colborne
57	37 Bridge Street East	*65 Station Street	Belleville
73	610 King Street	1145 King Street	Preston
81	225 King Street	Front and Holditch Streets	Sturgeon Falls
86	Queen and White Streets	*99 King Street North	Dryden

\*Board-owned Properties

**AGENCY STORES**

During the year, seventeen agency stores were in operation. This figure includes four new agency stores established during the year at the following locations:

June 15, 1964	.....	Gogama
June 17, 1964	.....	Lady Evelyn Lake
June 24, 1964	.....	Savant Lake
July 8, 1964	.....	Oba

## BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1965, there were 15 Ontario and 3 Quebec breweries licensed to sell their products in Ontario.

Seventeen brewers' retail stores opened during the twelve-month period, being located at the following addresses:

May	4, 1964	127 Plains Road West	Burlington
May	14, 1964	1530 Albion Road	Toronto
May	14, 1964	1984 Baseline Road	Ottawa
May	22, 1964	150 Berry Road	Toronto
June	11, 1964	1010 Wilson Avenue	Toronto
June	25, 1964	247 Brown's Line	Toronto
July	6, 1964	1047 North Service Road	Cooksville
July	20, 1964	40 Overlea Boulevard	Toronto
August	1, 1964	Church Street	Chippawa
October	10, 1964	323 Symington Avenue	Toronto
November	9, 1964	1527 Rebecca Street	Oakville
November	16, 1964	414 Wharnccliffe Road South	London
November	23, 1964	160 Talbot Street North	Essex
December	7, 1964	461 Liverpool Road and Hwy. 2	Pickering
December	7, 1964	125 Stewart Boulevard	Brockville
December	14, 1964	Truscott Drive	Clarkson
January	15, 1965	68 Carlisle Street	St. Catharines

Four brewers' retail stores moved to new locations:

From	To	
301 Preston Street	307 Preston Street	Ottawa
161 King Street West	150 Midtown Drive	Oshawa
Main Street	399 Notre Dame Street	Belle River
Petrolia Street	4355 Petrolia Street	Petrolia

The number of brewers' retail stores in operation at the year-end was 319.

## OFFENCES

A classification of the offences against the Liquor Control Act during the twelve-month period follows:

	Number of Fines	Number Committed to Jail	Number S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place.....	18,321	979	93	19,393
Consumption of liquor in an illegal place..	1,916	14	.....	1,930
Selling liquor illegally or keeping for sale..	621	311	14	946
Consuming liquor in other than residence..	214	61	1	276
Intoxication.....	32,636	18,463	2,863	53,962
Illegal Possession.....	427	112	7	546
Persons found in.....	1,461	98	11	1,570
All other infractions.....	12,237	4,126	182	16,545
	67,833	24,164	3,171	95,168

## PERMITS

A classification of permits and licences issued during the year follows:

### PERMITS 1964-1965

Physicians.....	37
Druggists.....	264
Dentists and Veterinarians.....	49
Mechanical and Scientific.....	323
Manufacturers.....	192
Hospitals.....	250 (Free)
First Aid.....	38 (Free)

### LICENCES 1964-1965

Breweries.....	18
Wineries.....	10
Sacramental Wine Vendorships.....	14
Non-potable Alcohol, Storage Warehouse.....	2

## FINANCIAL STATEMENTS

Current Assets totalling \$30,599,902.99 consisted of the following:

Cash on hand and in banks.....	\$ 6,337,423.79
Accounts Receivable: Hospital charge sales, licence holder fees, beer levies, duty recoverable items, freight claims, fines, etc.....	2,867,503.76
Inventories of liquors and supplies.....	21,394,975.44
	<hr/> \$30,599,902.99 <hr/>

Prepaid charges for insurance, taxes, etc., amounted to \$56,500.41.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; lands and warehouses at Fort William, and land and warehouse at Ottawa. Also included in the real estate are 109 store sites on which completed stores are located; 15 store sites, against 6 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 for each unit), totalling together \$927,964.68 have been charged against Income. The accumulations of Reserves for Depreciation, have been increased by \$606,978.11, representing the purchases, less disposals, of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$4,152,697.80 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, etc.

Deferred licence fees, licences etc. totalled \$58,092.89 and appear as Deferred Revenue.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amounted to \$21,924,619.27. These items represent the value of undelivered orders totalling \$18,696,688.96, the amount of \$2,913,112.86 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1965, and the liabilities for property under option and uncompleted building contracts of \$314,817.45. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board Stores amounted to \$251,211,374.39.

The same statement shows a gross trading profit of \$103,580,550.58 and other revenue of \$28,724,319.91 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$19,146,619.26 consisting of administrative and operating expenses (including \$904,732.22 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$113,158,251.23. After bringing forward the net income of \$113,158,251.23, a balance in Surplus is shown of \$24,945,862.71.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

A statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

## LIQUOR CONTROL

## BALANCE SHEET

## ASSETS

## CURRENT ASSETS

Cash on hand, in transit and in banks . . . . .	\$ 6,337,423.79
---	-----------------

Accounts receivable . . . . .	2,867,503.76
-------------------------------	--------------

## Inventories:

Liquors in warehouses and stores, at cost . . . . .	\$21,243,189.71
--	-----------------

Stationery, supplies, empties, etc. . . . .	151,785.73
--	------------

	<u>21,394,975.44</u>
--	----------------------

	\$30,599,902.99
--	-----------------

PREPAID INSURANCE AND OTHER CHARGES . . . . .	56,500.41
---	-----------

## FIXED ASSETS

Land, at cost . . . . .	\$ 3,480,780.29
-------------------------	-----------------

Buildings, at cost . . . . .	20,311,999.63
------------------------------	---------------

Furniture, equipment and fixtures, at cost . . . . .	4,520,004.03
--	--------------

Alterations to owned and rented premises, at cost . . . . .	3,460,507.43
---	--------------

	<u>\$31,773,291.38</u>
--	------------------------

Less amounts written off . . . . .	31,773,041.38
------------------------------------	---------------

	<u>250.00</u>
--	---------------

	<u><u>\$30,656,653.40</u></u>
--	-------------------------------

Approved

J. G. SPRAGGE,  
General Manager.

J. H. COLLINS,  
Comptroller.

## AUDITOR'S

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1965 and the statements of profit and loss and surplus for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

Toronto, Ontario,  
July 19, 1965.

## BOARD OF ONTARIO

March 31, 1965

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable, accrued charges, etc. ....	\$ 4,152,697.80
--	-----------------

DEFERRED REVENUE. ....	58,092.89
------------------------	-----------

RESERVE FOR INSURANCE. ....	1,000,000.00
-----------------------------	--------------

RESERVE FOR CONTINGENCIES. ....	500,000.00
---------------------------------	------------

SURPLUS .....	24,945,862.71
---------------	---------------

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\$30,656,653.40

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## CONTINGENT LIABILITIES

Duty on stocks in bond. ....	\$ 2,913,112.86
------------------------------	-----------------

Liquors ordered but not delivered (including duty, freight, etc.) .....	18,696,688.96
--	---------------

Property under option and uncompleted building contracts. ....	314,817.45
---	------------

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\$21,924,619.27

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## REPORT

In my opinion the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of the Board as at March 31, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers . . . . .	
Cost of Sales:	
Inventories April 1, 1964 . . . . .	\$ 18,116,813.81
Purchases . . . . .	150,757,199.71
	<hr/>
	\$168,874,013.52
Less: Inventories March 31, 1965 . . . . .	21,243,189.71
	<hr/>
Gross Profit on Sales . . . . .	

## OTHER REVENUE

Brewers' licence fees . . . . .	\$ 16,500.00
Brewery store and brewers' retail store licence fees . . . . .	186,800.00
Gallonge fees on beer production—Ontario Breweries . . . .	18,190,027.09
Gallonge fees on beer sales—Extra-Provincial Breweries . .	1,149,738.38
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share) . . . . .	5,892,705.36
Fines (net) . . . . .	264,928.96
Ontario wine licence fees . . . . .	701,990.81
Miscellaneous permits . . . . .	1,536.00
Banquet permits . . . . .	874,940.00
Transfer fees . . . . .	958,691.26
Interest on bank balances . . . . .	217,222.16
Remuneration for collecting Ontario Retail Sales Tax . . . . .	138,656.55
Miscellaneous receipts . . . . .	130,583.34
	<hr/>

INCOME . . . . .

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses . . . . .	\$ 17,458,606.29
Furniture, equipment and fixtures and alterations to owned and rented premises written off . . . . .	760,048.29
Additions to land and buildings during the year—written off . .	927,964.68
	<hr/>

NET INCOME . . . . .

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1965

	Percentages to Sales			Percentages to Income		
	1964-65 %	1963-64 %	1962-63 %	1964-65 %	1963-64 %	1962-63 %
\$251,211,374.39	100.00	100.00	100.00			
147,630,823.81	58.77	61.23	61.44			
\$103,580,550.58	41.23	38.77	38.56	78.29	76.84	75.60
28,724,319.91	11.44	11.68	12.44	21.71	23.16	24.40
\$132,304,870.49	52.67	50.45	51.00	100.00	100.00	100.00
19,146,619.26	7.62	8.14	8.27	14.47	16.14	16.21
\$113,158,251.23	45.05	42.31	42.73	85.53	83.86	83.79

## LIQUOR CONTROL BOARD OF ONTARIO

**SURPLUS**

For the year ended March 31, 1965

Balance at credit, April 1, 1964.....	\$ 24,787,611.48
Add:	
Net income for the year ended March 31, 1965.....	113,158,251.23
	<hr/>
	\$137,945,862.71
Deduct:	
Payments to Treasurer of Ontario on account of profits.....	113,000,000.00
	<hr/>
Balance at credit, March 31, 1965.....	\$ 24,945,862.71
	<hr/>

## LIQUOR CONTROL BOARD OF ONTARIO

## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1965

		Percentage to Sales	
		1964-65	1963-64
Salaries.....	\$ 12,212,909.78	4.86	4.94
Superannuation and Retirement Funds.....	629,687.53	.25	.26
Workmen's Compensation and Unemployment Insurance.....	24,082.77	.01	.01
Rent.....	1,492,148.41	.59	.58
Light, heat and power.....	399,453.50	.16	.15
Premises protection.....	32,435.97	.01	.01
Repairs and Maintenance.....	519,729.22	.21	.23
Insurance.....	58,485.44	.02	.02
Grants in lieu of business taxes.....	250,613.94	.10	.10
Grants in lieu of property taxes.....	302,035.07	.12	.13
Postage.....	47,232.45	.02	.02
Stationery.....	302,950.55	.12	.14
Telephone and telegraph.....	118,424.37	.05	.05
Packing material.....	293,771.99	.12	.13
Freight and cartage.....	10,333.96	.01	.01
Discounts.....	10,499.41	.01	.01
N.A.T.O. discounts.....	67,893.23	.03	.03
Agency commissions.....	61,864.94	.02	.02
Agency expenses.....	6,144.17	.00	.00
Breakages.....	29,306.49	.01	.01
Sundries.....	148,136.25	.06	.06
Travelling.....	288,927.60	.12	.13
Car and truck expenses.....	7,044.38	.00	.01
Tabulating equipment rental and supplies.....	110,732.47	.04	.04
Computer conversion costs—program- ming, consultant's fees and equip- ment rentals.....	33,762.40	.01	..
	<u>\$17,458,606.29</u>	<u>6.95</u>	<u>7.09</u>







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# **Fortieth Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO.**

**APRIL 1st, 1965 TO MARCH 31st, 1966**



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**Fortieth Report**  
**OF THE**  
**LIQUOR CONTROL BOARD**  
**OF**  
**ONTARIO**

**FROM APRIL 1st, 1965 TO MARCH 31st, 1966**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1967



**TORONTO**

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER  
1967



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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
Toronto 2, Ontario,  
December 30th, 1966.

The Honourable William Earl Rowe, P.C.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour:

The Fortieth Report of the Liquor Control Board of Ontario is submitted herewith in accordance with Section 14 of The Liquor Control Act. This report covers details of the activities and operations of the Board. Proper control as well as efficient distribution of the products of the breweries, distilleries and wineries continued to receive attention from the Board and its officers throughout the twelve-month fiscal period which ended March 31, 1966.

During the fiscal year under consideration, the Board operated 382 stores which included 13 new locations. The latter were opened in areas which required improved service. In addition, many stores were renovated and 6 stores were moved to new and better locations. In remote areas of the province, 21 agency stores were in operation. Wine displays continued to serve a useful purpose in many Board stores and there are now 120 Canadian displays and 35 displays combining Canadian and imported brands.

The sales of spirits, wine and beer by liquor stores during the twelve months amounted to \$285,883,749.88. Sales in Ontario, of Canadian wine, made directly to customers from licensed retail wine stores and wineries amounted to \$7,020,943.07. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$234,576,330.90.

It is interesting to note that Ontario grown grapes processed by the wineries within the province increased from 32,767 tons for the 1965 crop season to 36,350 tons for the 1966 crop season.

The use of electronic data processing in the Head Office accounting procedures continues to add to the efficiency of the Board. Recently a 360 Computer was installed thus providing for expansion and added applications. A new procedure to be known as the Central Allocation System will be commenced late in 1967 and this will provide a scientific method of ordering by stores, an advanced and rapid means of calculating sales, forecasting, and improved inventory control.

The Board continues to maintain control over advertising in all media to ensure that it is directed toward brand preference only and is in good taste. The Directive in its present form appears to warrant acceptance by the general public and users of advertising as a marketing medium.

A Suggestion Award Program was introduced by the Board a short time ago. Under this policy all ideas submitted by employees aimed at increasing efficiency, effecting economies and generally improving Board operations are welcomed, and rewarded with cash when accepted. In addition to the value of suggestions received, another purpose of this program is to promote a sense of active participation in Board operations, and to cause our employees to identify themselves even more closely with the aims and responsibilities of the organization. We have been most heartened by the response to this program and see it as a continuing and valuable tool of direct communication between our employees and management.

It is with deep regret that we record the passing of the Deputy Chief Commissioner, the late Mr. William T. Murchie. Mr. Murchie served the Board from 1953 until his death last May. He was an efficient, faithful and loyal servant of the Province and during his term of office made a genuine contribution toward the successful operation of the Board.

Thanks are due to the Reverend A. Walter Downer, M.P.P., for his efforts in the specialized field in which he works. I am grateful, also, to Brigadier John G. Spragge, General Manager, and all other executives and members of the staff for their efforts and co-operation.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## SALES

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$285,883,749.88. Sales in Ontario of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$7,020,943.07. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$234,576,330.90.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1966	Twelve months ending March 31, 1965	Increase
<b>Sales by Board Stores:</b>			
Canadian Spirits . . .	\$213,442,526.48	\$188,759,530.46	\$24,682,996.02
Imported Spirits . . .	39,209,452.86	33,345,318.27	5,864,134.59
Canadian Wines . . .	14,285,377.39	13,080,903.35	1,204,474.04
Imported Wines . . .	11,326,320.75	9,053,372.04	2,272,948.71
Canadian Beers . . .	6,824,521.77	6,215,735.18	608,786.59
Imported Beers . . .	795,550.63	756,515.09	39,035.54
<b>Total Sales by Board Stores . . . . .</b>	<b>\$285,883,749.88</b>	<b>\$251,211,374.39</b>	<b>\$34,672,375.49</b>
<b>Sales by Ontario Wineries and Winery Stores . . . . .</b>	<b>\$ 7,020,943.07</b>	<b>\$ 6,618,414.80</b>	<b>\$ 402,528.27</b>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value) . . .</b>	<b>\$234,576,330.90</b>	<b>\$192,824,193.40</b>	<b>\$41,752,137.50</b>

## SALES BY GALLONS

	Twelve months ending March 31, 1966	Twelve months ending March 31, 1965	Increase
<b>Sales by Board Stores:</b>			
Canadian Spirits.....	7,562,642	6,683,888	878,754
Imported Spirits.....	1,160,927	984,073	176,854
Canadian Wines.....	2,066,690	1,947,313	119,377
Imported Wines.....	876,938	704,307	172,631
Canadian Beers.....	2,769,066	2,536,841	232,225
Imported Beers.....	165,229	160,301	4,928
<b>Total Sales by Board Stores...</b>	<b>14,601,492</b>	<b>13,016,723</b>	<b>1,584,769</b>
<b>Sales by Ontario Wineries and Winery Stores.....</b>	<b>1,080,232</b>	<b>1,034,586</b>	<b>45,646</b>
<b>Sales by Breweries and Brewers' Retail Stores.....</b>	<b>104,706,172</b>	<b>101,174,098</b>	<b>3,532,074</b>

Revenue payments totalling \$302,408,074.92 were received by the Treasurer of Ontario, the Government of Canada and by 323 Ontario Municipalities, as a result of levies on alcoholic beverages sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of alcoholic beverages.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

Remitted by the Board—

On account of profits, licence fees, etc..... \$125,200,000.00

Ontario Retail Sales Tax on sales through  
liquor stores..... 7,543,340.20

132,743,340.20

Remitted by others—Ontario Retail Sales Tax  
on sales through retail wine stores and  
brewers' retail stores.....

3,862,465.22

\$136,605,805.42

## GOVERNMENT OF CANADA

Paid by the Board—

Customs and Excise Duties..... 83,448,018.24

Federal Sales Tax on spirits, wines and  
imported beers..... 16,021,686.86

99,469,705.10

Paid by others—Malt duties and taxes on  
domestic beers and wines.....

64,206,861.80

163,676,566.90

**ONTARIO MUNICIPALITIES**

Paid by the Board—

Rebates of a proportion of fees received  
from licencees .....

\$ 1,501,427.97

Grants in lieu of realty and business taxes..

624,274.63

---

\$ 2,125,702.60

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\$302,408,074.92**SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES**

	1962 Gallons	1963 Gallons	1964 Gallons	1965 Gallons	1966 Gallons
Sales to other					
Provinces.....	7,469,459	8,761,961	9,697,512	11,606,968	12,441,860
Export Sales.....	2,268,878	2,340,223	2,342,888	2,807,672	2,889,919
	9,738,337	11,102,184	12,040,400	14,414,640	15,331,779

All brands of beer produced by the Ontario Breweries and by the Quebec Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

**WINERIES**

During the year, the locations of three retail wine stores were changed as follows:

Jordan Wines Limited..... From 2898 Lake Shore Boulevard West to Don Mills Shopping Centre, Toronto

The Parkdale Wines Limited From 371 Yonge Street to 3033 Danforth Avenue, Toronto

Bright's Wines Limited..... From 33 Elm Street East to 16 Elm Street East, Sudbury

Strawa Honey Wines Limited ceased operations as of November 16, 1965.

At March 31, 1966, there were nine wineries and fifty-one retail wine stores in operation.

**SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES**

	1962 Gallons	1963 Gallons	1964 Gallons	1965 Gallons	1966 Gallons
Sales to other Provinces.....	2,831,994	2,961,181	3,051,286	2,824,981	3,136,449
Export Sales.....	1,897	4,271	1,156	1,656	3,406
	2,833,891	2,965,452	3,052,442	2,826,637	3,139,855

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1962 Tons	1963 Tons	1964 Tons	1965 Tons	1966 Tons
Grapes used in the manufacture of wine.....	25,264	28,043	29,231	26,717	30,128
Grapes used in the manufacture of concentrates.....	2,973	2,905	2,882	3,484	2,639
Cherries used in the manufacture of wine.....	100	126	33	155	65
	28,337	31,074	32,146	30,356	32,832

**PERSONNEL**

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1966, was as follows:

Board Members.....	3	Permit.....	8
Staffs of Departments—		Personnel.....	9
Chief Commissioner.....	3	Purchasing.....	7
General Manager.....	6	Realty and Maintenance.....	18
Accounting.....	73	Stock Administration.....	11
Beer and Wine.....	18	Stores.....	1,959
Brewery Inspection.....	19	Store Auditors.....	19
Customs.....	4	Store Operations.....	24
Garage.....	4	Traffic.....	3
Laboratory.....	5	Warehouses.....	134
Legal.....	3	Winery Inspection.....	5

2,335

**BOARD STORES**

The number of board stores operated during the year was 382, which figure includes thirteen additional stores opened during the year at the following locations :

June	10, 1965	Highway 17	Clearwater Bay
July	9, 1965		Pass Lake
July	16, 1965	*Front Road	La Salle
August	18, 1965	2425 Truscott Drive	Clarkson
August	28, 1965	*Highway 7	Sharbot Lake
September	4, 1965	Water and South Streets	Plantagenet
October	14, 1965	*Highway 2	Colborne
November	12, 1965	*Broad Street	Parkhill
December	1, 1965	Stevenson Road South	Oshawa
December	2, 1965	*Main Street	Uxbridge
December	11, 1965	*Highway 3	Wheatley
February	22, 1966	Kingston and Markham Roads	Scarborough
March	12, 1966	Markham and Ellesmere Roads	Scarborough

\*Board-owned Properties

In addition, six stores moved to new locations as follows:

Store	From	To
89	Main Street	Pembroke Street, Mattawa
102	235 Muskoka Street South	130 Sharpe Street East, Gravenhurst
107	Main Street	*Main Street West, Palmerston
123	Main Street	*Duncan and Molan Streets, Lancaster
174	Victoria Street	*Bridge Street, Tweed
290	Loring	Port Loring

\*Board-owned Properties

**AGENCY STORES**

During the year, twenty-one agency stores were in operation. This figure includes four new agency stores established during the year at the following locations :

May	27, 1965	.....	Hawk Junction
July	6, 1965	.....	Searchmont
October	1, 1965	.....	Nestor Falls
October	13, 1965	.....	Gowganda

## BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1966, there were 15 Ontario and 3 Quebec breweries licensed to sell their products in Ontario.

Twenty-one brewers' retail stores opened during the twelve-month period, being located at the following addresses:

April	5, 1965	3431 St. Clair Avenue East	Toronto
April	12, 1965	320 McArthur Road	Eastview
June	1, 1965	816 King Street West	Hamilton
July	5, 1965	250 Wincott Drive	Toronto
July	16, 1965	Ninth Line and Constance Drive	Oakville
July	21, 1965	Moseley and Second Streets	Wasaga Beach
October	6, 1965	275 Second Line	Sault Ste. Marie
October	12, 1965	3258 Dougall Road	Windsor
October	12, 1965	4905 Bathurst Street	Willowdale
October	15, 1965	3255 Bayview Avenue	Willowdale
October	25, 1965	800 Gerrard Street East	Toronto
October	29, 1965	1200 Dundas Street West	Toronto
November	22, 1965	2055 Mount Forest Drive	Burlington
November	22, 1965	1205 Oxford Street West	London
December	13, 1965	891 Notre Dame Avenue	Sudbury
November	17, 1965	138 Cedar Street	Galt
January	7, 1966	666 Burnhamthorpe Road	Etobicoke
February	10, 1966	82 North Side Road	Ottawa
February	25, 1966	1135 Markham Road	Scarborough
February	28, 1966	2707 Jane Street	Toronto
March	24, 1966	20 Isabella Street	Ottawa

Eight brewers' retail stores moved to new locations:

From	To	
Berford Street	Berford Street	Warton
720 Walker Road	1050 Walker Road	Windsor
Thomas and Main Streets	205 Manitoba Street	Bracebridge
Main and Kenyon Streets	118 Main Street	Alexandria
Peter Street	410 Durham Street	Walkerton
Colonization Street	115 Causley Street	Blind River
York Street	Erie Street South	Ridgetown
Glendale Avenue	Penn Centre	St. Catharines

On June 12, 1965, the brewers' retail store in Palmerston ceased operation. The number of brewers' retail stores in operation at the year-end was 339.

**OFFENCES**

A classification of the offences against The Liquor Control Act during the twelve-month period follows:

	Number of Fines	Number Committed to Jail	Number S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place.....	21,268	862	87	22,217
Consumption of liquor in an illegal place..	1,577	12	.....	1,589
Selling liquor illegally or keeping for sale..	861	412	21	1,294
Consuming liquor in other than residence..	211	57	.....	268
Intoxication.....	36,400	17,687	2,671	56,758
Illegal Possession.....	789	97	5	891
Persons found in.....	2,006	101	8	2,115
All other infractions.....	9,271	3,721	204	13,196
	72,383	22,949	2,996	98,328

**PERMITS**

A classification of permits and licences issued during the year follows:

**PERMITS 1965-1966**

Physicians.....	38
Druggists.....	246
Dentists and Veterinarians.....	46
Mechanical and Scientific.....	322
Manufacturers.....	145
Kitchen.....	41
Hospitals.....	268 (Free)
First Aid.....	35 (Free)

**LICENCES 1965-1966**

Breweries.....	18
Wineries.....	9
Sacramental Wine Vendorships.....	14
Non-potable Alcohol, Storage Warehouse.....	2

## FINANCIAL STATEMENTS

Current Assets totalling \$37,934,143.03 consisted of the following:

Cash on hand and in banks.....	\$ 8,276,761.55
Accounts Receivable: Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, fines, etc.....	3,315,065.95
Inventories of liquors and supplies.....	26,342,315.53
	\$37,934,143.03

Prepaid charges for insurance, taxes, etc., amounted to \$121,644.12.

Mortgage Receivable \$34,372.87, represents the principal amount of the mortgage taken on the old Fort William warehouse property which was sold during the year. The sale price was \$40,000.00, of which \$5,000.00 was paid in cash and the balance secured by a 6% first mortgage repayable in monthly instalments over a fifteen-year period.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; land and warehouse at Fort William, and land and warehouse at Ottawa. Also included in the real estate are 114 store sites on which completed stores are located; 21 store sites, against 14 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,668,766.42 have been charged against Income. The accumulations of Reserves for Depreciation have been increased by \$591,360.60, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$11,605,207.84 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amounted to \$16,153,125.16. These items represent the value of undelivered orders totalling \$13,308,099.85, the amount of \$2,556,196.59 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1966, and the liabilities for property under option and uncompleted building contracts of \$288,828.72. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board Stores amounted to \$285,883,749.88.

The same statement shows a gross trading profit of \$117,984,391.86 and other revenue of \$29,786,920.50 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$22,531,950.89 consisting of administrative and operating expenses (including \$1,013,379.96 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$125,239,361.47. After bringing forward the net income of \$125,239,361.47 a balance of \$24,985,224.18 remained in surplus.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve-month period reported upon herein and the two preceding fiscal years.

A statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

## LIQUOR CONTROL

## BALANCE SHEET

## ASSETS

## CURRENT ASSETS

Cash on hand, in transit and in banks . . . . .	\$ 8,276,761.55	
Accounts receivable . . . . .	3,315,065.95	
Inventories:		
Liquors in warehouses and stores, at cost . . . . .	\$26,195,707.57	
Stationery, supplies, empties, etc. . . . .	146,607.96	
	<u>26,342,315.53</u>	
		\$37,934,143.03
PREPAID INSURANCE AND OTHER CHARGES . . . . .		121,644.12
MORTGAGE RECEIVABLE . . . . .		34,372.87

## FIXED ASSETS

Land, at cost . . . . .	\$ 3,989,631.15	
Buildings, at cost . . . . .	21,399,235.23	
Furniture, equipment and fixtures, at cost . . . . .	4,666,600.39	
Alterations to owned and rented premises, at cost . . . . .	3,905,271.67	
	<u>\$33,960,738.44</u>	
Less amounts written off . . . . .	33,960,466.44	
	<u>272.00</u>	
		<u>\$38,090,432.02</u>

Approved

J. G. SPRAGGE,  
General Manager.

J. H. COLLINS,  
Comptroller.

## AUDITOR'S

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1966 and the statements of profit and loss and surplus for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

Toronto, Ontario,  
August 10, 1966

## BOARD OF ONTARIO

March 31, 1966

## LIABILITIES

## CURRENT LIABILITIES

Accounts payable, accrued charges, etc. . . . .	\$11,456,560.84	
Deferred revenue . . . . .	148,647.00	
	<hr/>	\$11,605,207.84
RESERVE FOR INSURANCE . . . . .		1,000,000.00
RESERVE FOR CONTINGENCIES . . . . .		500,000.00
SURPLUS . . . . .		24,985,224.18

---



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\$38,090,432.02

## CONTINGENT LIABILITIES

Duty on stocks in bond . . . . .	\$ 2,556,196.59
Liquors ordered but not delivered (including duty, freight, etc.) . . . . .	13,308,099.85
Property under option and uncompleted building contracts . . . . .	288,828.72
	<hr/>
	<hr/> \$16,153,125.16 <hr/>

## REPORT

In my opinion the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of the Board as at March 31, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers .....	
Cost of Sales:	
Inventories April 1, 1965 .....	\$ 21,243,189.71
Purchases .....	172,851,875.88
	<hr/>
	\$ 194,095,065.59
Less: Inventories March 31, 1966 .....	26,195,707.57
	<hr/>
Gross Profit on Sales .....	

## OTHER REVENUE

Brewers' licence fees .....	\$ 16,500.00
Brewery store and brewers' retail store licence fees .....	199,500.00
Gallonge fees on beer production—Ontario Breweries .....	18,580,511.58
Gallonge fees on beer sales—Extra-Provincial Breweries .....	1,196,169.48
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share) .....	6,367,757.27
Fines (net) .....	252,558.55
Ontario wine licence fees .....	747,187.14
Miscellaneous permits .....	1,494.50
Banquet and special occasion permits .....	927,420.00
Transfer fees .....	962,566.93
Interest on bank balances .....	210,097.78
Remuneration for collecting Ontario Retail Sales Tax .....	153,945.74
Miscellaneous receipts .....	171,211.53

## INCOME .....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses .....	\$ 20,117,743.83
Furniture, equipment and fixtures and alterations to owned and rented premises written off .....	737,961.30
Additions to land and buildings during the year—written off ..	1,668,766.42
Fire loss .....	7,479.34

## NET INCOME .....

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1966

	Percentages to Sales			Percentages to Income		
	1965-66 %	1964-65 %	1963-64 %	1965-66 %	1964-65 %	1963-64 %
\$285,883,749.88	100.00	100.00	100.00			
167,899,358.02	58.73	58.77	61.23			
\$117,984,391.86	41.27	41.23	38.77	79.84	78.29	76.84
29,786,920.50	10.42	11.44	11.68	20.16	21.71	23.16
\$147,771,312.36	51.69	52.67	50.45	100.00	100.00	100.00
22,531,950.89	7.88	7.62	8.14	15.25	14.47	16.14
\$125,239,361.47	43.81	45.05	42.31	84.75	85.53	83.86

## LIQUOR CONTROL BOARD OF ONTARIO

**SURPLUS**

For the year ended March 31, 1966

Balance at credit, April 1, 1965.....	\$ 24,945,862.71
Add:	
Net income for the year ended March 31, 1966.....	125,239,361.47
	<u>\$150,185,224.18</u>
Deduct:	
Payments to Treasurer of Ontario on account of profits.....	125,200,000.00
Balance at credit, March 31, 1966.....	<u><u>\$ 24,985,224.18</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1966

		Percentage to Sales	
		1965-66	1964-65
Salaries.....	\$14,178,965.62	4.96	4.86
Superannuation and Retirement Funds.....	666,311.79	.23	.25
Canada Pension Plan.....	57,068.17	.02	...
Workmen's Compensation and Unemployment Insurance.....	30,954.15	.01	.01
Rent.....	1,563,673.31	.55	.59
Light, heat and power.....	423,766.30	.15	.16
Premises protection.....	33,282.07	.01	.01
Repairs and Maintenance.....	597,127.81	.21	.21
Insurance.....	54,433.36	.02	.02
Grants in lieu of business taxes.....	274,345.23	.10	.10
Grants in lieu of property taxes.....	349,929.40	.12	.12
Postage.....	51,155.13	.02	.02
Stationery.....	407,230.39	.14	.12
Telephone and telegraph.....	129,059.47	.05	.05
Packing material.....	307,721.34	.11	.12
Freight and cartage.....	12,672.21	.01	.01
Discounts.....	14,238.44	.01	.01
V.A.T.O. discounts.....	68,042.19	.02	.03
Agency commissions.....	88,672.80	.03	.02
Agency expenses.....	7,363.09	.00	.00
Breakages.....	33,833.48	.01	.01
Miscellaneous.....	203,649.68	.07	.06
Employees' Group Insurance Plan.....	125,167.21	.04	...
Travelling.....	296,805.66	.10	.12
Car and truck expenses.....	6,673.01	.00	.00
Fabricating equipment rental and supplies.....	113,373.41	.04	.04
Computer conversion costs—program- ming, consultant's fees and equip- ment rentals.....	22,229.11	.01	.01
	<hr/>	<hr/>	<hr/>
	\$20,117,743.83	7.04	6.95







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**Forty-First Report**  
**OF THE**  
**LIQUOR CONTROL BOARD**  
**OF**  
**ONTARIO**

**APRIL 1st, 1966 TO MARCH 31st, 1967**





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# **Forty-First Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

**FROM APRIL 1st, 1966 TO MARCH 31st, 1967**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1968



TORONTO

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER

1968



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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
Toronto 2, Ontario,  
December 29th, 1967.

The Honourable William Earl Rowe, P.C.(C.),  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

Complying with Section 14 of The Liquor Control Act, the Forty-first Report of the Liquor Control Board of Ontario is submitted herewith.

Sales through the Board stores exceeded \$290,000,000.00. In the ten-year period from March 31, 1957, sales and net income have increased by 110% and 138% respectively. The Board has continued, at all times, to discharge its responsibilities under the Act as related to the control and distribution of the products of the distilleries, wineries and breweries.

During the twelve-month period ended March 31, 1967, the Board operated three hundred and ninety-five stores including thirteen new stores opened in the year. A number of stores were renovated or moved to new locations including the introduction of a store in which all brands are on display.

## SALES

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$294,414,563.20. Sales in Ontario, of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$7,103,547.01. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$209,712,166.00.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1967	Twelve months ending March 31, 1966	Increase	
Sales by Board Stores:				
Canadian Spirits ...	\$219,502,807.74	\$213,442,526.48	\$ 6,060,281.26	Dec.
Imported Spirits....	38,255,800.57	39,209,452.86	953,652.29	
Canadian Wines ...	16,075,735.22	14,285,377.39	1,790,357.83	
Imported Wines....	12,112,820.02	11,326,320.75	786,499.27	
Canadian Beers....	7,585,584.96	6,824,521.77	761,063.19	
Imported Beers ....	881,814.69	795,550.63	86,264.06	
Total Sales by Board Stores .....	\$294,414,563.20	\$285,883,749.88	\$8,530,813.32	
Sales by Ontario Wineries and Winery Stores .....	\$ 7,103,547.01	\$ 7,020,943.07	\$ 82,603.94	
Sales by Breweries and Brewers' Retail Stores (exclusive of container value)....	\$209,712,166.00	\$201,132,078.61	\$8,580,087.39	

## SALES BY GALLONS

	Twelve months ending March 31, 1967	Twelve months ending March 31, 1966	Increase	
Sales by Board Stores:				
Canadian Spirits .....	7,391,853	7,562,642	170,789	Dec.
Imported Spirits .....	1,082,702	1,160,927	78,225	Dec.
Canadian Wines .....	2,192,434	2,056,690	125,744	
Imported Wines .....	877,685	876,938	747	
Canadian Beers .....	3,096,392	2,769,066	327,326	
Imported Beers .....	181,350	165,229	16,121	
Total Sales by Board Stores..	14,822,416	14,601,492	220,924	
Sales by Ontario Wineries and Winery Stores .....	1,047,517	1,080,232	32,715	Dec.
Sales by Breweries and Brewers' Retail Stores .....	109,070,029	104,706,172	4,363,857	

Revenue payments totalling \$314,760,062.71 were received by the Treasurer of Ontario, the Government of Canada and by 325 Ontario Municipalities, as a result of levies on alcoholic beverages sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of alcoholic beverages.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

## Remitted by the Board—

On account of profits, licence fees, etc..... \$133,700,000.00

Ontario Retail Sales Tax on sales through  
liquor stores..... 13,406,620.85

147,106,620.85

## Remitted by others—

Ontario Retail Sales Tax on sales through  
retail wine stores and brewers' retail stores 7,131,215.61

\$154,237,836.46

## GOVERNMENT OF CANADA

## Paid by the Board—

Customs and Excise Duties..... 76,017,495.08

Federal Sales Tax on spirits, wines and  
imported beers..... 14,931,649.77

90,949,144.85

## Paid by others—

Malt duties and taxes on domestic beers and  
wines..... \$ 67,499,990.48

\$158,449,135.33

## ONTARIO MUNICIPALITIES

Paid by the Board—

Rebates of a proportion of fees received from licencees . . . . .	1,407,387.47	
Grants in lieu of realty and business taxes .	665,703.45	
		2,073,090.92
		<u>\$314,760,062.71</u>

## SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES

	1963 Gallons	1964 Gallons	1965 Gallons	1966 Gallons	1967 Gallons
Sales to other Provinces . . . . .	8,761,961	9,697,512	11,606,968	12,441,860	14,653,759
Export Sales . . . . .	2,340,223	2,342,888	2,807,672	2,889,919	2,931,541
	11,102,184	12,040,400	14,414,640	15,331,779	17,585,300

All brands of beer produced by the Ontario Breweries and by the Quebec and Manitoba Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## WINERIES

During the year, the locations of four retail wine stores were changed as follows:

Brights Wines Limited . . . . .	From 12 Second Street West, Cornwall to Niagara Peninsula Shopping Centre, St. Catharines.
Chateau-Gai Wines Limited	From 771 Queen Street East to 728 Queen Street East, Toronto.
Parkdale Wines Limited . . .	From 225 Kenilworth Avenue North to Mountain Plaza, 665 James Street, Hamilton.
London Winery Limited . . . .	From 2 Wyndham Street, Guelph to 2048 Danforth Avenue, Toronto.

On April 29, 1966, Parkdale Wines Limited purchased the business of Grimsby Wines Limited.

On December 12, 1966 the name of Welland Winery Limited was changed to Beau Chatel Wines Limited. Therefore at March 31, 1967, there were eight wineries and fifty-one retail wine stores in operation.

### SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES

	1963 Gallons	1964 Gallons	1965 Gallons	1966 Gallons	1967 Gallons
Sales to other Provinces .....	2,961,181	3,051,286	2,824,981	3,136,449	3,476,788
Export Sales ....	4,271	1,156	1,656	3,406	13,245
	2,965,452	3,052,442	2,826,637	3,139,855	3,490,033

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1963 Tons	1964 Tons	1965 Tons	1966 Tons	1967 Tons
Grapes used in the manufacture of wine.....	28,043	29,231	26,717	30,128	34,223
Grapes used in the manufacture of concentrates.....	2,905	2,882	3,484	2,639	2,127
Cherries used in the manufacture of wine.....	126	33	155	65	154
	31,074	32,146	30,356	32,832	36,504

### PERSONNEL

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1967, was as follows:

Board Members.....	2	Permit.....	7
Staffs of Departments—		Personnel.....	10
Chief Commissioner.....	3	Purchasing.....	7
General Manager.....	6	Realty and Maintenance.....	16
Accounting.....	74	Stock Administration.....	18
Beer and Wine.....	17	Stores.....	2,060
Brewery Audit.....	10	Store Auditors.....	19
Customs.....	4	Store Operations.....	23
Garage.....	4	Traffic.....	5
Laboratory.....	5	Warehouses.....	143
Legal.....	3	Winery Audit.....	4

2,440

**BOARD STORES**

The number of board stores operated during the year was 395, which figure includes thirteen additional stores opened during the year at the following locations:

April	4, 1966	22 Isabella Street	Ottawa
April	21, 1966	Fairway Road and Highway 8	Kitchener
May	6, 1966	140 Cedar Street	Galt
May	9, 1966	*108 St. George Street	Brantford
May	9, 1966	140 King Street East	Hamilton
June	3, 1966	78 Northside Road	Ottawa
June	20, 1966	1711 Algonquin Street	Widdifield
July	13, 1966	Highway 2	Cataraqui
September	21, 1966	*526 Hamilton Road	London
November	17, 1966	1500 Royal York Road	Toronto
March	8, 1967	666 Burnhamthorpe Road	Toronto
March	16, 1967	*2233 Carling Avenue	Ottawa
March	18, 1967	R.R. No. 1, Copper Cliff	Waters Township

\*Board-owned Properties

In addition, seven stores moved to new locations as follows:

Store	From	To
190	1605 Main Street	*1601 Main Street, Hamilton
67	Main and Ferguson Streets	*316 Broadway Street, Haileybury
175	Mississauga Street West	*Mississauga Street East, Orillia
36	325 Albert Street	105 O'Connor Street, Ottawa
94	Bridge Street	Bonnechere Street, Eganville
140	77 Montreal Road	*230 Montreal Road, Eastview
16	106 Richmond Street West	101 Richmond Street West, Toronto

\*Board-owned Properties

**AGENCY STORES**

During the year, twenty-three agency stores were in operation. This figure includes two new agency stores established during the year at the following locations:

April 14, 1966	.....	Matachewan
June 16, 1966	.....	Thessalon

## BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1967, there were nineteen breweries licensed to sell their products in Ontario. Fifteen of these breweries were located in Ontario, three in Quebec and one in Manitoba.

Eight brewers' retail stores opened during the twelve-month period, being located at the following addresses:

April	1, 1966	50 Jaffray Street	New Liskeard
April	4, 1966	2356 Eglinton Avenue West	Toronto
May	16, 1966	564 Bronson Avenue	Ottawa
June	13, 1966	1301 Lawrence Avenue West	Toronto
July	25, 1966	227 Gerrard Street East	Toronto
August	24, 1966	2035 Cassel Street	North Bay
August	25, 1966	285 King Street East	Kingston
December	17, 1966	3217 Eglinton Avenue East	Toronto

Four brewers' retail stores moved to new locations:

From	To	
25 King Street West	62 Charles Street West	Ingersoll
1087 Queen Street East	1281 Queen Street East	Toronto
101 Bathurst Street	2 Park Street	Amherstburg
Elgin and Simcoe Streets	Highway 26 and Hickory Street	Collingwood

On May 31, 1966, the brewers' retail store in Haileybury ceased operation. The number of brewers' retail stores in operation at the year-end was 346.

**OFFENCES**

A classification of the offences against The Liquor Control Act during the twelve-month period follows:

	Number of Fines	Number Committed to Jail	Number S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place. . . . .	24,146	967	98	25,211
Consumption of liquor in an illegal place. . . . .	1,467	14	.....	1,481
Selling liquor illegally or keeping for sale. . . . .	1,012	509	38	1,559
Consuming liquor in other than residence. . . . .	104	44	.....	148
Intoxication. . . . .	37,667	18,429	2,786	58,882
Illegal Possession. . . . .	702	107	7	816
Persons found in. . . . .	1,800	104	11	1,915
All other infractions. . . . .	11,476	3,951	306	15,733
	78,374	24,125	3,246	105,745

**PERMITS**

A classification of permits and licences issued during the year follows:

**PERMITS 1966-1967**

Physicians. . . . .	37
Druggists. . . . .	235
Dentists and Veterinarians. . . . .	39
Mechanical and Scientific. . . . .	346
Manufacturers. . . . .	144
Kitchen. . . . .	44
Hospitals. . . . .	277 (Free)
First Aid. . . . .	33 (Free)

**LICENCES 1966-1967**

Breweries. . . . .	19
Wineries. . . . .	8
Sacramental Wine Vendorships. . . . .	13
Non-potable Alcohol, Storage Warehouses. . . . .	2

## FINANCIAL STATEMENT

Current Assets totalling \$34,575,650.07 consisted of the following:

Cash on hand and in banks.....	\$ 6,810,344.10
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, fines, etc.....	2,759,813.10
Inventories of liquors and supplies.....	25,005,492.87
	<hr/> \$34,575,650.07 <hr/>

Prepaid charges for insurance, taxes, etc., amounted to \$119,380.23.

Mortgage Receivable \$32,838.75, represents the principal amount outstanding, of the mortgage taken on the old Fort William warehouse property which was sold in 1965.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; land and warehouse at Fort William, land and warehouse at Ottawa, and land and warehouse under construction at London. Also included in the real estate are 127 store sites on which completed stores are located; 9 store sites, against 7 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,605,934.91 have been charged against Income. The accumulations of Reserves for Depreciation have been increased by \$574,247.59, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$8,195,607.85 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amounted to \$26,076,075.60. These items represent the value of undelivered orders totalling \$17,493,911.05, the amount of \$6,079,617.27 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1967, and the liabilities for property under option and uncompleted building contracts of \$2,502,547.28. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board Stores amounted to \$294,414,563.20.

The same statement shows a gross trading profit of \$129,206,716.56 and other revenue of \$29,668,511.87 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$25,127,910.41 consisting of administrative and operating expenses (including \$1,100,692.17 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$133,747,318.02. After bringing forward the net income of \$133,747,318.02 a balance of \$25,032,542.20 remained in surplus.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve-month period reported upon herein and the two preceding fiscal years.

A statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

The conversion program to electronic data processing in Head Office has contributed to improved efficiency in all accounting and statistical functions of the Board. The new Central Allocation System has recently been introduced on a test basis in three large Metropolitan Toronto stores. This system provides a scientific method of ordering for stores by computer, together with a means of calculating and forecasting sales, and improving the control of inventories. To date, the reduction in inventory levels in the three stores has been most encouraging. As additional stores are added to the new system, we look forward to greater savings in this important area of administration. At the same time a scientific inventory control system has been introduced in the Toronto warehouse to further reduce inventories.

The Board continues to have a substantial number of people on the interdicted list. This area of control appears to be desirable and essential.

The co-operation and dedication of the 2438 employees of the Board have contributed to the continued success of the Liquor Control Board of Ontario. Special tribute should be paid to the Reverend A. Walter Downer, M.P.P., to John G. Spragge, General Manager, and all other executives and staff for their efforts over the past year.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## LIQUOR CONTROL

## BALANCE SHEET

(with comparative

	ASSETS	
	1967 \$	1966 \$
<b>CURRENT</b>		
Cash on hand, in transit and in banks.....	6,810,344.10	8,276,761.55
Accounts receivable.....	2,759,813.10	3,315,065.95
Inventories:		
Liquors in warehouses and stores, at cost...	24,865,741.22	26,195,707.57
Stationery, supplies, empties, etc.....	139,751.65	146,607.96
	<hr/> 25,005,492.87	<hr/> 26,342,315.53
Total Current.....	34,575,650.07	37,934,143.03
PREPAID INSURANCE AND OTHER CHARGES..	119,380.23	121,644.12
MORTGAGE RECEIVABLE.....	32,838.75	34,372.87
<b>FIXED</b>		
Land, at cost.....	4,261,848.73	3,989,631.15
Buildings, at cost.....	22,732,402.56	21,399,235.23
Furniture, equipment and fixtures, at cost ....	4,866,635.45	4,666,600.39
Alterations to owned and rented premises, at cost	4,279,484.20	3,905,271.67
	<hr/> 36,140,370.94	<hr/> 33,960,738.44
Less amounts written off.....	36,140,089.94	33,960,466.44
	<hr/> 281.00	<hr/> 272.00
	<hr/> <hr/> 34,728,150.05	<hr/> <hr/> 38,090,432.02

Approved

J. G. SPRAGGE,  
General Manager.

J. H. COLLINS,  
Comptroller.

## BOARD OF ONTARIO

March 31, 1967

figures for 1966)

	LIABILITIES	
	1967	1966
	\$	\$
CURRENT		
Accounts payable, accrued charges, etc . . . . .	8,058,075.85	11,456,560.84
Deferred revenue . . . . .	137,532.00	148,647.00
	<u>8,195,607.85</u>	<u>11,605,207.84</u>
RESERVE FOR INSURANCE . . . . .	1,000,000.00	1,000,000.00
RESERVE FOR CONTINGENCIES . . . . .	500,000.00	500,000.00
SURPLUS . . . . .	25,032,542.20	24,985,224.18
OUTSTANDING COMMITMENTS		
Duty on stocks in bond . . . . .	\$ 6,079,617.27	
Liquors ordered but not delivered (including, duty, freight, etc.) . . . . .	17,493,911.05	
Property under option and uncompleted building contracts . . . . .	2,502,547.28	
	<u>\$26,076,075.60</u>	
	<u>34,728,150.05</u>	<u>38,090,432.02</u>

## AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1967 and the statements of profit and loss and surplus for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of the Board as at March 31, 1967 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
July 14, 1967

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers.....	
Cost of Sales:	
Inventories April 1, 1966.....	\$ 26,195,707.57
Purchases.....	163,877,880.29
	<hr/>
	\$190,073,587.86
Less: Inventories March 31, 1967.....	24,865,741.22
	<hr/>
Gross Profit on Sales.....	

## OTHER REVENUE

Brewers' licence fees.....	\$ 18,000.00
Brewery store and brewers' retail store licence fees.....	201,700.00
Gallonge fees on beer production—Ontario breweries....	19,123,790.05
Gallonge fees on beer sales—Extra-Provincial breweries ..	1,181,187.19
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share).....	5,994,327.55
Fines (net).....	328,483.50
Ontario wine licence fees.....	752,167.56
Miscellaneous permits.....	1,482.00
Special occasion permits.....	971,985.00
Transfer fees.....	654,816.91
Interest on bank balances.....	165,733.37
Remuneration for collecting Ontario Retail Sales Tax.....	135,602.22
Miscellaneous receipts.....	139,236.52
	<hr/>

## INCOME.....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses.....	\$ 22,701,652.65
Furniture, equipment and fixtures and alterations to owned and rented premises written off.....	820,322.85
Additions to land and buildings during the year—written off.	1,605,934.91
	<hr/>

## NET INCOME.....

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1967

Percentages to Sales			Percentages to Income		
1966-67	1965-66	1964-65	1966-67	1965-66	1964-65
%	%	%	%	%	%

\$294,414,563.20	100.00	100.00	100.00			
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165,207,846.64	56.11	58.73	58.77			
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\$129,206,716.56	43.89	41.27	41.23	81.33	79.84	78.29
------------------	-------	-------	-------	-------	-------	-------

29,668,511.87	10.07	10.42	11.44	18.67	20.16	21.71
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\$158,875,228.43	53.96	51.69	52.67	100.00	100.00	100.00
------------------	-------	-------	-------	--------	--------	--------

25,127,910.41	8.53	7.88	7.62	15.82	15.25	14.47
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\$133,747,318.02	45.43	43.81	45.05	84.18	84.75	85.53
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## LIQUOR CONTROL BOARD OF ONTARIO

**SURPLUS**

For the year ended March 31, 1967

Balance at credit, April 1, 1966.....	\$ 24,985,224.18
Add:	
Net income for the year ended March 31, 1967.....	133,747,318.02
	<u>158,732,542.20</u>
Deduct:	
Payments to Treasurer of Ontario on account of profits.....	133,700,000.00
	<u>25,032,542.20</u>
Balance at credit, March 31, 1967.....	<u><u>\$ 25,032,542.20</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1967

		Percentage to Sales	
		1966-67	1965-66
Salaries . . . . .	\$15,976,402.39	5.43	4.96
Superannuation and Retirement Funds . .	685,424.95	.23	.23
Canada Pension Plan . . . . .	210,661.52	.07	.02
Workmen's Compensation and Unemployment Insurance . . . . .	27,565.15	.01	.01
Rent . . . . .	1,691,896.87	.57	.55
Light, heat and power . . . . .	456,148.07	.15	.15
Premises protection . . . . .	36,047.69	.01	.01
Repairs and maintenance . . . . .	719,197.74	.24	.21
Insurance . . . . .	58,375.68	.02	.02
Grants in lieu of business taxes . . . . .	292,510.75	.10	.10
Grants in lieu of property taxes . . . . .	373,192.70	.13	.12
Postage . . . . .	52,934.05	.02	.02
Stationery . . . . .	392,897.22	.13	.14
Telephone and telegraph . . . . .	131,215.73	.05	.05
Packing material . . . . .	323,363.18	.11	.11
Freight and cartage . . . . .	10,956.89	.01	.01
Discounts . . . . .	19,121.10	.01	.01
N.A.T.O. discounts . . . . .	75,133.80	.03	.02
Agency commissions . . . . .	101,259.52	.03	.03
Agency expenses . . . . .	9,139.86	.00	.00
Breakages . . . . .	37,916.01	.01	.01
Sundries . . . . .	289,514.01	.10	.07
Employees' Group Insurance Plan . . . .	228,297.29	.08	.04
Travelling . . . . .	325,248.90	.11	.10
Car and truck expense . . . . .	5,056.45	.00	.00
Tabulating equipment rental and supplies . . . . .	149,725.08	.05	.04
Computer conversion costs—program- ming, consultant's fees and equip- ment rentals . . . . .	22,450.05	.01	.01
	<hr/>	<hr/>	<hr/>
	\$22,701,652.65	7.71	7.04





ONTARIO

# **Forty-Second Report**

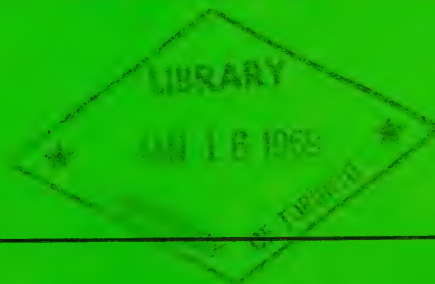
**OF THE**

**LIQUOR CONTROL BOARD**

**OF**

# **ONTARIO**

**APRIL 1st, 1967 TO MARCH 31st, 1968**





# **Forty-Second Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

**FROM APRIL 1st, 1967 TO MARCH 31st, 1968**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1968



**ONTARIO**





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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
Toronto 2, Ontario,  
November 19th, 1968.

The Honourable W. Ross MacDonald, P.C., C.D., Q.C., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

Pursuant to Section 14 of the Liquor Control Act of Ontario, I have the honour to submit the Forty-Second Report of the Liquor Control Board of Ontario for the twelve-month fiscal period which ended March 31st, 1968.

Sales by the Board increased \$40,060,284.86, or 13.6% over the previous year's total. Head Office administrative expenses increased by only \$146,171.84 or 5.9%.

The Board exercises control over the use and abuse of alcohol at all times, and continues to provide the purchasing public in the Province with the various types and brands of spirits, wines and beers.

Revenue payments to the Province of Ontario for the year ended March 31, 1968, totalled \$149,100,000.00. In addition a total of \$15,005,897.68 was paid, representing Ontario Retail Sales Tax collected on sales through the 406 liquor stores.

## SALES

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$334,474,848.06. Sales in Ontario, of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$7,678,207.15. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$217,605,689.34.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1968	Twelve months ending March 31, 1967	Increase
Sales by Board Stores:			
Canadian Spirits . . .	\$246,453,788.84	\$219,502,807.74	\$26,950,981.10
Imported Spirits . . .	45,199,371.85	38,255,800.57	6,943,571.28
Canadian Wines . . .	18,715,970.54	16,075,735.22	2,640,235.32
Imported Wines . . .	14,947,633.24	12,112,820.02	2,834,813.22
Canadian Beers . . .	8,053,490.93	7,585,584.96	467,905.97
Imported Beers . . .	1,104,592.66	881,814.69	222,777.97
Total Sales by Board Stores . . . . .	\$334,474,848.06	\$294,414,563.20	\$40,060,284.86
Sales by Ontario Wineries and Winery Stores . . . . .	\$ 7,678,207.15	\$ 7,103,547.01	\$ 574,660.14
Sales by Breweries and Brewers' Retail Stores (exclusive of container value) . . .	\$217,605,689.34	\$209,712,166.00	\$ 7,893,523.34

## SALES BY GALLONS

	Twelve months ending March 31, 1968	Twelve months ending March 31, 1967	Increase
Sales by Board Stores:			
Canadian Spirits .....	8,126,269	7,391,853	734,416
Imported Spirits .....	1,257,372	1,082,702	174,670
Canadian Wines .....	2,497,154	2,192,434	304,720
Imported Wines .....	1,062,251	877,685	184,566
Canadian Beers .....	3,218,979	3,096,392	122,587
Imported Beers .....	224,382	181,350	43,032
Total Sales by Board Stores..	16,386,407	14,822,416	1,563,991
Sales by Ontario Wineries and Winery Stores .....	1,093,547	1,047,517	46,030
Sales by Breweries and Brewers' Retail Stores .....	110,032,739	109,070,029	962,710

Revenue payments totalling \$349,262,797.38 were received by the Treasurer of Ontario, the Government of Canada and by 327 Ontario Municipalities, as a result of levies on alcoholic beverages sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of alcoholic beverages.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

## Remitted by the Board—

On account of profits, licence fees, etc.....	\$149,100,000.00
Ontario Retail Sales Tax on sales through liquor stores .....	15,005,897.68

164,105,897.68

## Remitted by others—

Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	7,689,423.27
--	--------------

\$171,795,320.95

## GOVERNMENT OF CANADA

## Paid by the Board—

Customs and Excise Duties .....	91,795,688.67
Federal Sales Tax on spirits, wines and imported beers .....	19,273,281.13

111,068,969.80

## Paid by others—

Malt duties and taxes on domestic beers and wines .....	64,114,329.82
--	---------------

\$175,183,299.62

## ONTARIO MUNICIPALITIES

## Paid by the Board—

Rebates of a proportion of fees received

from licencees . . . . . 1,490,441.04

Grants in lieu of realty and business taxes . 793,735.77

\$ 2,284,176.81

\$349,262,797.38

## SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES

	1964 Gallons	1965 Gallons	1966 Gallons	1967 Gallons	1968 Gallons
Sales to other Provinces . . . . .	9,697,512	11,606,968	12,441,860	14,653,759	1,122,986
Export Sales . . . . .	2,342,888	2,807,672	2,889,919	2,931,541	2,525,208
	12,040,400	14,414,640	15,331,779	17,585,300	3,648,194

All brands of beer produced by the Ontario Breweries and by the Quebec and Manitoba Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## WINERIES

During the year, the location of one retail wine store was changed as follows:

Jordan Wines Limited . . . . . From Dufferin Plaza, Toronto to 171 Goyeau Street, Windsor.

At March 31, 1968, there were eight wineries and fifty-one retail wine stores in operation.

## SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES

	1964 Gallons	1965 Gallons	1966 Gallons	1967 Gallons	1968 Gallons
Sales to other Provinces . . . . .	3,051,286	2,824,981	3,136,449	3,476,788	3,373,191
Export Sales . . . . .	1,156	1,656	3,406	13,245	16,652
	3,052,442	2,826,637	3,139,855	3,490,033	3,389,843

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1964 Tons	1965 Tons	1966 Tons	1967 Tons	1968 Tons
Grapes used in the manufacture of wine.....	29,231	26,717	30,128	34,223	35,057
Grapes used in the manufacture of concentrates.....	2,882	3,484	2,639	2,127	2,954
Cherries used in the manufacture of wine.....	33	155	65	154	65
	32,146	30,356	32,832	36,504	38,076

## PERSONNEL

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1968, was as follows:

Board Members.....	3	Legal.....	2
Staffs of Departments—		Permit.....	7
Chief Commissioner.....	3	Personnel.....	11
General Manager.....	6	Purchasing.....	7
Accounting.....	72	Realty and Maintenance.....	16
Beer and Wine.....	15	Stock Administration.....	17
Brewery Audit.....	10	Stores.....	2,144
Customs.....	5	Store Auditors.....	19
Garage.....	4	Store Operations.....	24
Internal Audit.....	1	Traffic.....	5
Laboratory.....	6	Warehouses.....	161
		Winery Audit.....	4
			2,542

**BOARD STORES**

The number of board stores operated during the year was 406, which figure includes eleven additional stores opened during the year at the following locations:

May	17, 1967	Leslie Street and Finch Avenue	Toronto
May	19, 1967	Highbury Avenue and Huron Street	London
June	7, 1967	Robinson General Store	Dorset
August	11, 1967	*Medora Street	Port Carling
September	8, 1967	Portage Road	Niagara Falls
September	22, 1967	1198 Kennedy Road	Toronto
November	6, 1967	Main and Winona Streets	Stouffville
November	9, 1967	470 Dundas Street East	Belleville
November	14, 1967	Highway 90	Angus
December	7, 1967	Azilda Shopping Centre	Azilda
December	13, 1967	1763 Russell Road	Ottawa

\*Board-owned Property

In addition, three stores moved to new locations as follows:

Store	From	To
61	210 King Street West	*210 Wellington Street, Chatham
65	55 Division Street	*34 Ford Street, Trenton
77	111 Main Street	Poyntz Plaza, Poyntz Street, Penetang

\*Board-owned Properties

**AGENCY STORES**

During the year, twenty-six agency stores were in operation. This figure includes three new agency stores established during the year at the following locations:

June	27, 1967	.....	Minaki
October	17, 1967	.....	Montreal River
October	17, 1967	.....	Batchawana

## BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1968, there were twenty-two breweries licensed to sell their products in Ontario. Fourteen of these breweries were located in Ontario, five in Quebec and three in Manitoba.

Twelve brewers' retail stores opened during the twelve-month period, being located at the following addresses:

April	10, 1967	272 Argyle Street South	Caledonia
May	29, 1967	81 St. Clair Avenue East	Toronto
June	19, 1967	1165 Oxford Street East	London
July	26, 1967	45 Falconbridge Road	Garson
September	5, 1967	1095 Kingston Road	Toronto
September	5, 1967	Huron Line	Windsor
September	22, 1967	Highway 47 and Main Street	Stouffville
October	10, 1967	Hanmer Shopping Plaza, Highway 69	Hanmer
November	27, 1967	Angus Shopping Plaza, King Street	Angus
December	1, 1967	1669 Merivale Road	Ottawa
December	15, 1967	640 Queenston Road	Hamilton
March	15, 1968	875 Chemong Road	Peterborough

Seven brewers' retail stores moved to new locations:

From	To	
Main Street West	Highway 18 and Highway 18A	Kingsville
Queen and Home Streets	King Street	Harrow
Muskoka Road	David Street and Highway 11	Gravenhurst
87 Broadway Avenue	54 Mission Road	Wawa
3 Market Street East	45 Water Street West	Brockville
75 Queen Street	79 Queen Street	Dryden
Mara Road and Highway 12	522 Mara Road	Beaverton

The number of brewers' retail stores in operation at March 31, 1968, was 358.

**OFFENCES**

A classification of the offences against The Liquor Control Act during the twelve-month period follows:

	Number of Fines	Number Committed to Jail	Number S.S. and Remanded for Sentence	Total Convictions
Having liquor in an illegal place. . . . .	25,438	1,009	101	26,548
Consumption of liquor in an illegal place. . . . .	1,862	16	.....	1,878
Selling liquor illegally or keeping for sale. . . . .	1,377	586	41	2,004
Consuming liquor in other than residence. . . . .	117	56	.....	173
Intoxication. . . . .	38,721	19,243	1,997	59,961
Illegal Possession. . . . .	911	87	5	1,003
Persons found in. . . . .	1,922	117	14	2,053
All other infractions. . . . .	11,961	3,873	401	16,235
	82,309	24,987	2,559	109,855

**PERMITS**

A classification of permits and licences issued during the year follows:

**PERMITS 1967-1968**

Physicians. . . . .	21
Druggists. . . . .	119
Dentists and Veterinarians. . . . .	42
Mechanical and Scientific. . . . .	331
Manufacturers. . . . .	140
Kitchen. . . . .	41
Hospitals. . . . .	260 (Free)
First Aid. . . . .	25 (Free)

**LICENCES 1967-1968**

Breweries. . . . .	17
Wineries. . . . .	8
Sacramental Wine Vendorships. . . . .	10
Non-potable Alcohol, Storage Warehouses. . . . .	1

## FINANCIAL STATEMENT

Current Assets totalling \$44,018,455.89 consisted of the following:

Cash on hand and in banks.....	\$10,568,504.28
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, fines, etc.....	3,456,893.45
Inventories of liquors and supplies.....	29,993,058.16
	\$44,018,455.89

Prepaid charges for insurance, taxes, etc., amounted to \$401,253.53.

Mortgage Receivable \$31,220.00, represents the principal amount outstanding, of the mortgage taken on the old Fort William warehouse property which was sold in 1965.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto; land and warehouse at Fort William, land and warehouse at Ottawa, and land and warehouse at London. Also included in the real estate are 131 store sites on which completed stores are located; 11 store sites, against 7 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$4,597,580.99 have been charged against Income. The accumulations of Reserves for Depreciation have been increased by \$806,828.16, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$17,876,705.26 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amounted to \$28,760,919.03. These items represent the value of undelivered orders totalling \$22,275,176.49, the amount of \$6,188,469.24 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1968, and the liabilities for property under option and uncompleted building contracts of \$297,273.30. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Profit and Loss shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board Stores amounted to \$334,474,848.06.

The same statement shows a gross trading profit of \$147,335,204.07 and other revenue of \$32,957,103.92 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees, fines and miscellaneous income. Expenses for the year totalled \$31,150,335.03 consisting of administrative and operating expenses (including \$1,192,315.66 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Surplus Account is \$149,141,972.96. After bringing forward the net income of \$149,141,972.96 a balance of \$25,074,515.16 remained in surplus.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve-month period reported upon herein and the two preceding fiscal years.

A Statement of Source and Application of Funds is included for the first time. This statement summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

The Advertising Directive of the Board continues to serve a useful purpose to ensure that all liquor advertising is kept within the bounds of good taste. It is basically designed to operate on a brand preference basis and at no time is it designed to increase the public's use of alcohol.

The Board's prime objective is to make available to the public, alcoholic beverages at the lowest possible price and at the same time develop appropriate revenue for the Province of Ontario.

Improvement was made in the year in the distribution of the products handled by the Board with the opening of a fourth warehouse in London.

The conversion program to electronic data processing has recently been completed at Head Office. The use of electronic equipment has contributed to improved efficiency in all accounting and statistical functions of the Board.

I would like to extend appreciation and thanks to the 2,542 employees of the Board whose hard work and efforts have assisted in the continued success of the Board. Special thanks should be paid to Mr. R. J. Harris, Deputy Chief Commissioner, Reverend A. Walter Downer, M.P.P., John G. Spragge, General Manager, all other executives and staff for their co-operation and fine efforts.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## LIQUOR CONTROL

## BALANCE SHEET

(with comparative

	ASSETS	
	1968 \$	1967 \$
CURRENT		
Cash on hand, in transit and in banks . . . . .	10,568,504.28	6,810,344.10
Accounts receivable . . . . .	3,456,893.45	2,759,813.10
Inventories:		
Liquors in warehouses and stores, at cost . . .	29,811,169.04	24,865,741.22
Stationery, supplies, empties, etc. . . . .	181,889.12	139,751.65
	<hr/> 29,993,058.16	<hr/> 25,005,492.87
Total Current . . . . .	44,018,455.89	34,575,650.07
PREPAID INSURANCE AND OTHER CHARGES . .	401,253.53	119,380.23
MORTGAGE RECEIVABLE . . . . .	31,220.00	32,838.75
FIXED		
Land, at cost . . . . .	5,802,077.71	4,261,848.73
Buildings, at cost . . . . .	25,721,863.57	22,732,402.56
Furniture and equipment, at cost . . . . .	5,155,383.01	4,866,635.45
Alterations to owned and rented premises, at cost	4,797,564.80	4,279,484.20
	<hr/> 41,476,889.09	<hr/> 36,140,370.94
Less amounts written off . . . . .	41,476,598.09	36,140,089.94
	<hr/> 291.00	<hr/> 281.00
	<hr/> <hr/> 44,451,220.42	<hr/> <hr/> 34,728,150.05

Approved

J. G. SPRAGGE,  
General Manager.

F. A. MacINNIS,  
Comptroller.

## BOARD OF ONTARIO

March 31, 1968

figures for 1967)

	LIABILITIES	
	1968 \$	1967 \$
CURRENT		
Accounts payable, accrued charges, etc . . . . .	17,737,677.26	8,058,075.85
Deferred revenue . . . . .	139,028.00	137,532.00
	<hr/> 17,876,705.26	<hr/> 8,195,607.85
RESERVE FOR INSURANCE . . . . .	1,000,000.00	1,000,000.00
RESERVE FOR CONTINGENCIES . . . . .	500,000.00	500,000.00
SURPLUS . . . . .	25,074,515.16	25,032,542.20
OUTSTANDING COMMITMENTS		
Duty on stocks in bond . . . . . \$	6,188,469.24	
Liquors ordered but not delivered (including duty, freight, etc.) . . . . .	22,275,176.49	
Property under option and uncompleted building contracts . . . . .	297,273.30	
	<hr/> \$ 28,760,919.03	
	<hr/>	<hr/>
	44,451,220.42	34,728,150.05
	<hr/>	<hr/>

## AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1968 and the statements of profit and loss and surplus and statement of source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion the accompanying balance sheet and statements of profit and loss and surplus, and statement of source and application of funds present fairly the financial position of the Board as at March 31, 1968 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
July 12, 1968

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers.....	
Cost of Sales:	
Inventories April 1, 1967.....	\$ 24,865,741.22
Purchases.....	192,085,071.81
	<hr/>
	\$216,950,813.03
Less: Inventories March 31, 1968.....	29,811,169.04
	<hr/>
Gross Profit on Sales.....	

## OTHER REVENUE

Brewers' licence fees.....	\$ 25,500.00
Brewery store and brewers' retail store licence fees.....	206,900.00
Gallongage fees on beer production—Ontario breweries....	20,608,035.41
Gallongage fees on beer sales—Extra-Provincial breweries..	1,854,730.42
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share).....	6,483,419.41
Fines (net).....	397,445.05
Ontario wine licence fees.....	806,494.37
Miscellaneous permits.....	1,182.00
Special occasion permits.....	1,086,865.00
Transfer fees.....	882,827.62
Interest on bank balances.....	253,689.58
Remuneration for collecting Ontario Retail Sales Tax.....	151,756.36
Miscellaneous receipts.....	198,258.70
	<hr/>

NCOME.....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses.....	\$ 25,589,075.08
Furniture and equipment and alterations to owned and rented premises written off.....	963,678.96
Additions to land and buildings during the year—written off.	4,597,580.99
	<hr/>

NET INCOME.....

## BOARD OF ONTARIO

## PROFIT AND LOSS

March 31, 1968

	Percentages to Sales			Percentages to Income		
	1967-68 %	1966-67 %	1965-66 %	1967-68 %	1966-67 %	1965-66 %
\$334,474,848.06	100.00	100.00	100.00			
187,139,643.99	55.95	56.11	58.73			
\$147,335,204.07	44.05	43.89	41.27	81.72	81.33	79.84
32,957,103.92	9.85	10.07	10.42	18.28	18.67	20.16
\$180,292,307.99	53.90	53.96	51.69	100.00	100.00	100.00
31,150,335.03	9.31	8.53	7.88	17.28	15.82	15.25
\$149,141,972.96	44.59	45.43	43.81	82.72	84.18	84.75

## LIQUOR CONTROL BOARD OF ONTARIO

**SURPLUS**

For the year ended March 31, 1968

Balance at credit, April 1, 1967.....	\$ 25,032,542.20
Add:	
Net income for the year ended March 31, 1968.....	149,141,972.96
	<u>\$174,174,515.16</u>
Deduct:	
Payments to Treasurer of Ontario on account of profits.....	149,100,000.00
	<u>                                    </u>
Balance at credit, March 31, 1968.....	<u><u>\$ 25,074,515.16</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended March 31, 1968

## SOURCE OF FUNDS

Net Income.....	\$149,141,972.96	
Add: Items not requiring an outlay of funds—		
Provision for write off of:		
Land and buildings..\$	4,597,580.99	
Furniture and equip-		
ment and altera-		
tions to premises..	963,678.96	
		5,561,259.95
		<u>\$154,703,232.91</u>
Fixed Asset Disposals—net.....		1.00
Decrease in Mortgage Receivable.....		1,618.75
Decrease in Working Capital.....		238,291.59
		<u>\$154,943,144.25</u>
		<u><u>\$154,943,144.25</u></u>

## APPLICATION OF FUNDS

Investment in:		
Land and buildings.....\$	4,597,591.99	
Furniture and equipment and alterations to		
premises.....	963,678.96	
		\$ 5,561,270.95
Increase in Prepaid Insurance and Other Charges.....		281,873.30
Payments to Treasurer of Ontario on account of profits.....		149,100,000.00
		<u>\$154,943,144.25</u>
		<u><u>\$154,943,144.25</u></u>

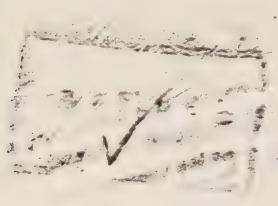
## LIQUOR CONTROL BOARD OF ONTARIO

## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1968

		Percentage to Sales	
		1967-68	1966-67
Salaries.....	\$18,187,657.02	5.44	5.43
Superannuation and Retirement Funds..	744,212.58	.22	.23
Canada Pension Plan.....	224,570.41	.07	.07
Workmen's Compensation and Unemployment Insurance.....	30,806.08	.01	.01
Rent.....	1,800,753.42	.54	.57
Light, heat and power.....	504,147.99	.15	.15
Premises protection.....	38,215.81	.01	.01
Repairs and maintenance.....	787,916.39	.23	.24
Insurance.....	59,448.04	.02	.02
Grants in lieu of business taxes .....	331,930.72	.10	.10
Grants in lieu of property taxes.....	461,805.05	.14	.13
Postage.....	57,027.06	.02	.02
Stationery.....	397,504.63	.12	.13
Telephone and telegraph.....	128,587.44	.04	.05
Packing material.....	393,950.62	.12	.11
Freight and cartage.....	12,437.48	.00	.01
Discounts.....	26,045.87	.01	.01
N.A.T.O. discounts.....	83,757.52	.02	.03
Agency commissions.....	125,266.98	.04	.03
Agency expenses.....	7,971.99	.00	.00
Breakages.....	43,472.66	.01	.01
Sundries.....	398,729.32	.12	.10
Employees' Group Insurance Plan.....	216,282.00	.06	.08
Travelling.....	326,964.08	.10	.11
Car and truck expense.....	4,323.59	.00	.00
Tabulating equipment rental and supplies.....	177,959.03	.05	.05
Computer conversion costs—program- ming, consultant's fees and equip- ment rentals.....	17,331.30	.01	.01
	<u>\$25,589,075.08</u>	<u>7.65</u>	<u>7.71</u>

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ONTARIO

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# Forty-Third Report

OF THE

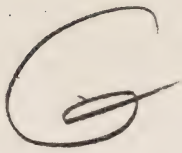
LIQUOR CONTROL BOARD

OF

ONTARIO

APRIL 1st, 1968 TO MARCH 31st, 1969





# **Forty-Third Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

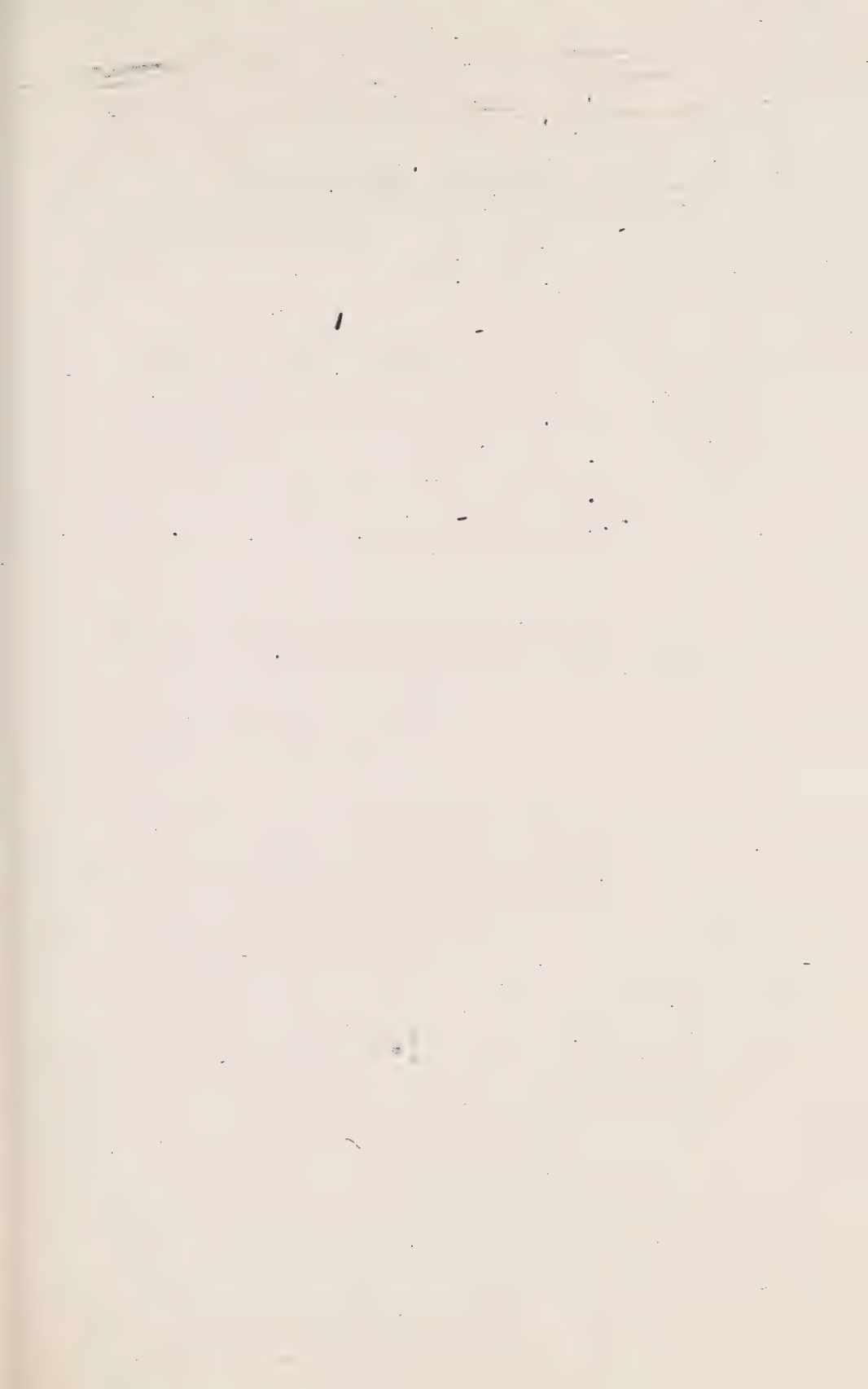
**FROM APRIL 1st, 1968 TO MARCH 31st, 1969**

PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO  
SESSIONAL PAPER No. 43, 1969



**ONTARIO**





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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
Toronto 2, Ontario,  
December 1st, 1969.

The Honourable W. Ross MacDonald, P.C., C.D., Q.C., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario

May It Please Your Honour,

I have the honour to submit herewith the Forty-Third Report of the Liquor Control Board of Ontario for the twelve-month fiscal period which ended March 31, 1969. This report is presented in accordance with the requirements of Section 14 of the Liquor Control Act of Ontario.

During the period covered by the report, the Board opened twelve new stores. In addition, a number of stores were renovated or moved to new locations.

An innovation in the continued efforts of the Board to improve customer service has involved a major change in merchandising philosophy. This was achieved during the year with the opening of the first self-serve store in the Province of Ontario, one of three to be operating within the year. Its operation is carefully scrutinized to determine to what extent it will apply to similar outlets throughout the province in the future. Customer acceptance of the self-serve store has been excellent and the Board has received many compliments from the public on its cheerful and efficient design and staff courtesy.

Sales through the 418 Board stores amounted to \$415,730,672.94 during the year, an increase of \$81,255,824.88. It is estimated that approximately 50% of this increase resulted from the unfortunate labour problems experienced by the Quebec Liquor Board during 1968. The total administrative and operating expenses of the Board, including Head Office, Warehouses and Stores, but excluding the expenses of the Liquor Licence Board, amounted to \$27,709,527.61, or 6.7% of sales.

During the fiscal year ending March 31, 1969, revenue payments to the Province of Ontario amounted to \$192,577,153.94. The Board also remitted to the Treasurer of Ontario the amount of \$18,875,369.40, representing Ontario Retail Sales Tax collected on sales through the Board stores. The total of \$8,036,168.33 was also remitted, representing Ontario Retail Sales Tax collected on sales through the retail wine stores and brewers' retail stores.

The Board continued to apply strict quality control checks on all merchandise sold, by the laboratory located in the Toronto Warehouse. The Ontario purchaser can be assured of the high quality of all merchandise, both Canadian and Imported.

Several years ago the Board adopted the policy of displaying Canadian Wines in certain stores. This policy has since been expanded to include imported wines and other items in some stores. At the end of the fiscal year there were 143 Canadian wine displays, 63 combined displays, for a total of 206 wine displays. This figure includes five stores that stock all brands on the general and special listings.

Orders of interdiction have continued to be of assistance in the control of abuses that result from the use of alcohol. This assistance is noted particularly in the parts of the province outside the metropolitan areas.

On behalf of the Board I would like to pay a warm tribute to the 2,582 employees of the Board. The conscientious efforts and co-operation of the staff have been a very important factor in the successful operation of the Board during the past year.

I would like, also, to thank Mr. R. J. Harris, Deputy Chief Commissioner, and Reverend A. Walter Downer, M.P.P. for their continued assistance. A special tribute is paid to Brigadier John G. Spragge, who retired on March 31, 1969, for his long years of service and his contribution to the continued progress of the Board.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## SALES

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$415,730,672.94. Sales in Ontario, of Canadian Wine made direct to customers from licensed retail wine stores and wineries amounted to \$8,867,037.31. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$229,902,101.32.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1969	Twelve months ending March 31, 1968	Increase
<b>Sales by Board Stores:</b>			
Canadian Spirits ...	\$299,181,565.57	\$246,453,788.84	\$52,727,776.73
Imported Spirits....	60,260,244.19	45,199,371.85	15,060,872.34
Canadian Wines ...	24,215,032.06	18,715,970.54	5,499,061.52
Imported Wines....	21,325,636.46	14,947,633.24	6,378,003.22
Canadian Beers....	8,695,014.52	8,053,490.93	641,523.59
Imported Beers ....	2,053,180.14	1,104,592.66	948,587.48
<b>Total Sales by Board Stores.....</b>	<b>\$415,730,672.94</b>	<b>\$334,474,848.06</b>	<b>\$81,255,824.88</b>
<b>Sales by Ontario Wineries and Winery Stores .....</b>	<b>\$ 8,867,037.31</b>	<b>\$ 7,678,207.15</b>	<b>\$ 1,188,830.16</b>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)....</b>	<b>\$229,902,101.32</b>	<b>\$217,605,689.34</b>	<b>\$12,296,411.98</b>

## SALES BY GALLONS

	Twelve months ending March 31, 1969	Twelve months ending March 31, 1968	Increase	
<b>Sales by Board Stores:</b>				
Canadian Spirits . . . . .	9,250,050	8,126,269	1,123,781	
Imported Spirits . . . . .	1,585,857	1,257,372	328,485	
Canadian Wines . . . . .	3,127,906	2,497,154	630,752	
Imported Wines . . . . .	1,529,235	1,062,251	466,984	
Canadian Beers . . . . .	3,230,064	3,218,979	11,085	
Imported Beers . . . . .	366,215	224,382	141,833	
<b>Total Sales by Board Stores . .</b>	<b>19,089,327</b>	<b>16,386,407</b>	<b>2,702,920</b>	
<b>Sales by Ontario Wineries and Winery Stores . . . . .</b>				
	1,204,232	1,093,547	110,685	
<b>Sales by Breweries and Brewers' Retail Stores . . . .</b>				
	107,062,233	110,032,739	2,970,506	Dec.

Revenue payments totalling \$419,137,379.75 were received by the Treasurer of Ontario, the Government of Canada and by 254 Ontario Municipalities, as a result of levies on alcoholic beverages sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of alcoholic beverages.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

## Remitted by the Board—

On account of profits, licence fees, etc . . . .	\$192,577,153.94
Ontario Retail Sales Tax on sales through liquor stores . . . . .	18,875,369.40

211,452,523.34

## Remitted by others—

Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	8,036,168.33
--	--------------

\$219,488,691.67

## GOVERNMENT OF CANADA

## Paid by the Board—

Customs and Excise Duties . . . . .	107,961,971.91
Federal Sales Tax on spirits, wines and imported beers . . . . .	22,556,979.33

130,518,951.24

## Paid by others—

Malt duties and taxes on domestic beers and wines . . . . .	66,840,114.51
--	---------------

\$197,359,065.75

## ONTARIO MUNICIPALITIES

## Paid by the Board—

Rebates of a proportion of fees received  
from licencees. . . . .

1,435,974.55

Grants in lieu of realty and business taxes . . . . .

853,647.78

---

\$ 2,289,622.33

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\$419,137,379.75

---

## SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES

	1965 Gallons	1966 Gallons	1967 Gallons	1968 Gallons	1969 Gallons
Sales to other Provinces . . . . .	11,606,968	12,441,860	14,653,759	1,122,986	1,383,050
Export Sales . . . . .	2,807,672	2,889,919	2,931,541	2,525,208	2,656,871
	14,414,640	15,331,779	17,585,300	3,648,194	4,039,921

All brands of beer produced by the Ontario Breweries and by the Queber and Manitoba Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## WINERIES

During the year, the locations of two retail wine stores were changed as follows:

Chateau-Gai Wines Limited. . . . .	From 169 Lochiel Street, Samia to 30 King Street South, Waterloo.
Parkdale Wine Company Limited. . . . .	From 2048 Danforth Avenue, Toronto to the Frontenac Mall Shopping Centre, Kingston.

At March 31, 1969, there were eight wineries and fifty-one retail wine stores in operation.

## SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES

	1965 Gallons	1966 Gallons	1967 Gallons	1968 Gallons	1969 Gallons
Sales to other Provinces . . . . .	2,824,981	3,136,449	3,476,788	3,373,191	2,957,728
Export Sales . . . . .	1,656	3,406	13,245	16,652	21,955
	2,826,637	3,139,855	3,490,033	3,389,843	2,979,683

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1965 Tons	1966 Tons	1967 Tons	1968 Tons	1969 Tons
Grapes used in the manufacture of wine.....	26,717	30,128	34,223	35,057	34,453
Grapes used in the manufacture of concentrates.....	3,484	2,639	2,127	2,954	1,681
Cherries used in the manufacture of wine.....	155	65	154	65	154
	30,356	32,832	36,504	38,076	36,288

### PERSONNEL

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1969, was as follows:

Board Members.....	3	Legal.....	3
Staffs of Departments—		Permit.....	6
Chief Commissioner.....	3	Personnel.....	11
General Manager.....	6	Purchasing.....	7
Accounting.....	75	Realty and Maintenance.....	17
Beer and Wine.....	12	Stock Administration.....	17
Brewery Audit.....	9	Stores.....	2,159
Customs.....	4	Store Auditors.....	19
Garage.....	4	Store Operations.....	28
Internal Audit.....	5	Traffic.....	6
Laboratory.....	6	Warehouses.....	178
		Winery Audit.....	4
			<u>2,582</u>

**BOARD STORES**

The number of board stores operated during the year was 418, which figure includes twelve additional stores opened during the year at the following locations:

April	11, 1968	3863 Jane Street	Toronto
May	11, 1968	*Channel Street	Killamey
May	16, 1968	Front Street	Northbrook
June	21, 1968	34 Grenville Street	Toronto
July	9, 1968	*Robinson Street	Port Burwell
July	24, 1968	1508 Marivale Road	Ottawa
August	24, 1968	1652 Regent Street South	Sudbury
August	22, 1968	*125 North Street, Highway 14	Stirling
December	10, 1968	259 The Kingsway	Toronto
December	12, 1968	494 Albert Street	Waterloo
December	13, 1968	Dixie Road and Highway 7	Bramalea
February	24, 1969	40 South Station Street	Toronto

\*Board-owned Properties

In addition, five stores moved to new locations as follows:

Store	From	To
53	60 South Algoma Street	*60 Pearl Street, Port Arthur
55	32 Pembroke Street West	*156 John Street, Pembroke
92	67 Fourth Avenue	*65 Fourth Avenue, Englehart
98	22 Main Street	372 Main Street South, Alexandria
108	25 Woodward Avenue	*Murray Street and Woodward Avenue, Blind River

\*Board-owned Properties

### AGENCY STORES

During the year, thirty-two agency stores were in operation. This figure includes six new agency stores established during the year at the following locations:

May	11, 1968	.....	Mine Centre
May	15, 1968	.....	Mindemoya
May	24, 1968	.....	Neebing
May	30, 1968	.....	McGregor Bay
July	5, 1968	.....	Hearst
October	18, 1968	.....	Caramat

### BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1969, there were twenty-one breweries licensed to sell their products in Ontario. Thirteen of these breweries were located in Ontario, five in Quebec and three in Manitoba.

Six brewers' retail stores opened during the twelve-month period, being located at the following addresses:

May	2, 1968	400 Rideau Street	Ottawa
May	25, 1968	1350 Lawrence Avenue East	Toronto
July	22, 1968	Parkdale Mall, 462 Albert Street	Waterloo
October	28, 1968	Sturgeon Bay Road	Coldwater
December	11, 1968	Bramalea City Centre, Highway 7 and Dixie Road	Bramalea
March	21, 1969	3535 Etude Drive	Malton

Four brewers' retail stores moved to new locations:

From	To	
440 Danforth Avenue	845 Broadview Avenue	Toronto
22 Doxsee Street South	80 Centre Street	Campbellford
376 John Street	371 John Street	Aylmer
Bay Street	Opeongo Road	Barry's Bay

On October 26, 1968, the brewers' retail store in Port Severn ceased operation. The number of brewers' retail stores in operation at March 31, 1969, was 363.

### PERMITS

A classification of permits and licences issued during the year follows:

#### PERMITS 1968-1969

Physicians.....	30
Druggists.....	104
Dentists and Veterinarians.....	35
Mechanical and Scientific.....	347
Manufacturers.....	139
Kitchen.....	46
Hospitals.....	260 (Free)
First Aid.....	23 (Free)

#### LICENCES 1968-1969

Breweries.....	16
Wineries.....	8
Sacramental Wine Vendorships.....	13
Non-potable Alcohol, Storage Warehouses.....	2

## FINANCIAL STATEMENTS

Current Assets totalling \$42,473,407.44 consisted of the following:

Cash on hand and in banks . . . . .	\$10,994,474.49
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, etc. . . . .	3,913,038.31
Inventories of liquors and supplies . . . . .	27,565,894.64
	<u>\$42,473,407.44</u>

Prepaid charges for insurance, taxes, etc., amounted to \$350,676.31.

Mortgage Receivable \$29,496.25, represents the principal amount outstanding, of the mortgage taken on the old Fort William warehouse property which was sold in 1965.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Fort William; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 138 store sites on which completed stores are located; 17 store sites, against 11 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The cost of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,633,862.69 have been charged against Income. The accumulations of Reserve for Depreciation, have been increased by \$650,847.92, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$16,279,379.84 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amount to \$31,678,000.00. These items represent the value of undelivered orders totalling \$22,718,000.00, the amount of \$8,775,000.00 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1969, and the liabilities for property under option and uncompleted building contracts of \$185,000.00. These contingent liabilities have not been reflected in the trading profits of the Board.

The Statement of Income shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$415,730,672.94.

The same statement shows a gross trading profit of \$184,460,805.72 and other revenue of \$39,500,540.10 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$31,384,191.88 consisting of administrative and operating expenses (including \$1,292,748.01 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$192,577,153.94. After bringing forward the net income of \$192,577,153.94 a balance of \$25,074,515.16 remained in Retained Income.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

## LIQUOR CONTROL

## BALANCE SHEET

(with comparative

	ASSETS	
	1969 \$	1968 \$
<b>CURRENT</b>		
Cash on hand, in transit and in banks.....	10,994,474.49	10,568,504.28
Accounts receivable.....	3,913,038.31	3,456,893.45
Inventories:		
Liquors in warehouses and stores, at cost...	27,311,476.91	29,811,169.04
Stationery, supplies, empties, etc.....	254,417.73	181,889.12
	<hr/> 27,565,894.64	<hr/> 29,993,058.16
Total Current.....	42,473,407.44	44,018,455.89
PREPAID INSURANCE AND OTHER CHARGES..	350,676.31	401,253.53
MORTGAGE RECEIVABLE.....	29,496.25	31,220.00
<b>FIXED</b>		
Land, at cost.....	6,261,662.83	5,802,077.71
Buildings, at cost.....	26,896,165.14	25,721,863.57
Furniture and equipment, at cost.....	5,432,576.14	5,155,383.01
Alterations to owned and rented premises, at cost	5,171,219.59	4,797,564.80
	<hr/> 43,761,623.70	<hr/> 41,476,889.09
Less amounts written off.....	43,761,308.70	41,476,598.09
	<hr/> 315.00	<hr/> 291.00
	<hr/> <hr/> 42,853,895.00	<hr/> <hr/> 44,451,220.42

Approved

J. S. ABRA,  
General Manager.

F. A. MacINNIS,  
Assistant General Manager—Finance.

## BOARD OF ONTARIO

March 31, 1969

figures for 1968)

	LIABILITIES	
	1969	1968
	\$	\$
<b>CURRENT</b>		
Accounts payable, accrued charges, etc .....	16,138,875.84	17,737,677.26
Deferred revenue.....	140,504.00	139,028.00
	<u>16,279,379.84</u>	<u>17,876,705.26</u>
RESERVE FOR INSURANCE.....	1,000,000.00	1,000,000.00
RESERVE FOR CONTINGENCIES.....	500,000.00	500,000.00
RETAINED INCOME.....	25,074,515.16	25,074,515.16
<b>OUTSTANDING COMMITMENTS</b>		
Duty on stocks in bond .....	\$ 8,775,000.00	
Liquors ordered but not delivered (including duty, freight, etc.).....	22,718,000.00	
Property under option and uncompleted building contracts.....	185,000.00	
	<u>\$ 31,678,000.00</u>	
	<u>42,853,895.00</u>	<u>44,451,220.42</u>

## AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1969 and the statements of income, retained income and source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these statements present fairly the financial position of the Board as at March 31, 1969 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

Toronto, September 4, 1969.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers.....	
Cost of Sales:	
Inventories at beginning of year.....	\$ 29,811,169.04
Purchases.....	228,770,175.09
	<hr/>
	\$258,581,344.13
Less: Inventories at end of year.....	27,311,476.91
	<hr/>
Gross Profit on Sales.....	

## OTHER REVENUE

Brewers' licence fees.....	\$ 24,000.00
Brewery store and brewers' retail store licence fees.....	213,300.00
Gallonage fees on beer production—Ontario breweries ....	26,619,765.91
Gallonage fees on beer sales—Extra-Provincial breweries ..	2,192,007.81
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share).....	6,353,027.75
Ontario wine licence fees.....	934,928.72
Miscellaneous permits.....	1,204.00
Special occasion permits.....	1,180,170.00
Transfer fees.....	1,417,257.76
Interest on bank balances.....	251,447.63
Remuneration for collecting Ontario Retail Sales Tax.....	190,842.09
Miscellaneous receipts.....	122,588.43
	<hr/>

INCOME.....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses.....	\$ 29,002,275.62
Furniture and equipment and alterations to owned and rented premises written off.....	748,053.57
Additions to land and buildings during the year—written off.	1,633,862.69
	<hr/>

NET INCOME.....

	Percentages to Sales			Percentages to Income		
	1968-69 %	1967-68 %	1966-67 %	1968-69 %	1967-68 %	1966-67 %
\$415,730,672.94	100.00	100.00	100.00			
231,269,867.22	55.63	55.95	56.11			
\$184,460,805.72	44.37	44.05	43.89	82.36	81.72	81.33
39,500,540.10	9.50	9.85	10.07	17.64	18.28	18.67
223,961,345.82	53.87	53.90	53.96	100.00	100.00	100.00
31,384,191.88	7.55	9.31	8.53	14.01	17.28	15.82
\$192,577,153.94	46.32	44.59	45.43	85.99	82.72	84.18

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF RETAINED INCOME

For the year ended March 31, 1969

Balance at beginning of year.....	\$ 25,074,515.16
<b>Add:</b>	
Net income for the year ended March 31, 1969.....	192,577,153.94
	<u>\$217,651,669.10</u>
<b>Deduct:</b>	
Payments to Treasurer of Ontario on account of profits.....	192,577,153.94
	<u></u>
Balance at end of year.....	<u><u>\$ 25,074,515.16</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended March 31, 1969

## SOURCE OF FUNDS

Net Income.....	\$192,577,153.94	
Add: Items not requiring an outlay of funds—		
Provision for write off:		
Land and buildings..\$	1,633,862.69	
Furniture and equip-		
ment and altera-		
tions to premises..	748,053.57	
	<u>2,381,916.26</u>	
		\$194,959,070.20
Decrease in Prepaid Insurance and Other Charges.....		50,577.22
Decrease in Mortgage Receivable.....		1,723.75
		<u>\$195,011,371.17</u>

## APPLICATION OF FUNDS

Investment in:		
Land and buildings.....\$	1,633,886.69	
Furniture and equipment and alterations to		
premises.....	748,053.57	
	<u>\$ 2,381,940.26</u>	
Payments to Treasurer of Ontario on account of profits.....		192,577,153.94
Increase in Working Capital.....		52,276.97
		<u>\$195,011,371.17</u>

## LIQUOR CONTROL BOARD OF ONTARIO

## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1969

		Percentage to Sales	
		1968-69	1967-68
Salaries.....	\$20,686,173.52	4.98	5.44
Superannuation and Retirement Funds..	831,827.48	.20	.22
Canada Pension Plan.....	258,543.95	.06	.07
Workmen's Compensation and Unemployment Insurance.....	51,835.81	.01	.01
Rent.....	1,936,762.57	.47	.54
Light, heat and power.....	538,322.77	.13	.15
Premises protection.....	50,071.73	.01	.01
Repairs and maintenance.....	976,484.54	.24	.23
Insurance.....	65,580.27	.02	.02
Grants in lieu of business taxes .....	387,092.32	.09	.10
Grants in lieu of property taxes.....	466,555.46	.11	.14
Postage.....	65,570.60	.02	.02
Stationery.....	428,717.32	.10	.12
Telephone and telegraph.....	144,882.41	.03	.04
Packing material.....	405,673.08	.10	.12
Freight.....	15,571.04	.00	.00
Discounts.....	34,109.02	.01	.01
N.A.T.O. discounts.....	87,866.18	.02	.02
Agency commissions.....	168,669.06	.04	.04
Agency expenses.....	12,089.64	.00	.00
Breakages.....	65,813.77	.02	.01
Sundries.....	413,948.07	.10	.12
Employees' Group Insurance Plan.....	241,169.27	.06	.06
Travelling.....	395,000.74	.10	.10
Car and truck expenses.....	3,769.27	.00	.00
Tabulating equipment rental and supplies.....	175,825.33	.04	.05
Computer conversion costs			.01
Ontario Provincial Police— Reimbursement of certain adminis- trative and enforcement expenses.	94,350.40	.02	
	<u>\$29,002,275.62</u>	<u>6.98</u>	<u>7.65</u>

Government  
Publications



# Forty-Fourth Report

OF THE

# LIQUOR CONTROL BOARD

OF

# ONTARIO

APRIL 1st, 1969 TO MARCH 31st, 1970



1870

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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
Toronto 2, Ontario,  
November 2nd, 1970.

The Honourable W. Ross MacDonald, P.C., C.D., Q.C., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

The Forty-fourth Report of the Liquor Control Board of Ontario is submitted herewith in accordance with Section 14 of the Liquor Control Act. Included in the report are details of the Board's operations and activities. During the period under review, the Board continued to discharge its responsibilities under the Act. Particular emphasis is given to the control and distribution of the products of the distilleries, wineries and breweries, both in Canada and abroad.

A total of five new stores were opened during the year. Four stores were moved to new locations and a number of stores were renovated. This is consistent with the Board's policy to maintain its property in excellent condition and to provide the purchasing public with modern facilities.

The concept of self service has been most favourably received by the public and the operation has proven economical. It is planned that some new stores and renovations both in metropolitan areas and smaller communities will be operated as self serve stores.

Sales through the 422 Board stores decreased by \$32,914,995.09 during the year to \$382,815,677.85. This expected reduction was the result of the abnormal increase of the previous year due to the labour dispute in the Quebec Liquor Board.

The growth of the Board over the past decade is shown on the graphs included in this report. Sales and net profits paid to the Treasurer of Ontario have increased 224% and 234% respectively during the ten-year period.

The use of electronic data processing was expanded to include the delivery system used in Metropolitan Toronto. As a result the deliveries from two stores were combined into one distribution depot, thus providing a more efficient operation. To provide for future growth and greater efficiencies, the Board has recently ordered a larger computer system.

The Board continues to have a number of people on the interdicted list. This area of control remains an essential deterrent for the abuse of alcohol.

There were 2645 permanent employees during the year. Periodically the Board employs part-time people, the majority of whom are working in the stores. The use of temporary help ensures continued customer service at peak periods and at the same time ensures stability of salary costs.

An orientation course for new employees in Metropolitan Toronto was introduced two years ago. This course has proven so successful that the program has been expanded to include the stores throughout the Province. This program is one of basic indoctrination that will assist in the development of trained employees in the future.

A warm tribute should be paid to our employees throughout the Province. Their efforts and co-operation have contributed to the successful operation of the Board over the past year.

I also extend my thanks to Mr. R. J. Harris, Deputy Chief Commissioner, the Reverend A. Walter Downer, M.P.P., Mr. J. S. Abra, General Manager and all the executives of the Board for their help and co-operation.

I have the honour to be, Sir,

Your obedient servant,

G. HARRY SHEPPARD,  
Chief Commissioner.

## SALES

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$382,815,677.85. Sales in Ontario, of Canadian wine made direct to customers from licensed retail wine stores and wineries amounted to \$8,864,317.55. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$255,770,227.90.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## SALES BY VALUE

	Twelve months ending March 31, 1970	Twelve months ending March 31, 1969	Increase	
Sales by Board Stores				
Canadian Spirits	\$270,509,190.33	\$299,181,565.57	\$ 28,672,375.24	Dec.
Imported Spirits	53,912,321.91	60,260,244.19	6,347,922.28	Dec.
Canadian Wines	24,669,392.37	24,215,032.06	454,360.31	
Imported Wines	21,801,942.52	21,325,636.46	476,306.06	
Canadian Beers	10,444,884.40	8,695,014.52	1,749,869.88	
Imported Beers	1,477,946.32	2,053,180.14	575,233.82	Dec.
Total Sales by Board Stores.....	\$382,815,677.85	\$415,730,672.94	\$ 32,914,995.09	Dec.
Sales by Ontario Wineries and Winery Stores.....	\$ 8,864,317.55	\$ 8,867,037.31	\$ 2,719.76	Dec.
Sales by Breweries and Brewers' Retail Stores (exclusive of container value)	\$255,770,227.90	\$229,902,101.32	\$ 25,868,126.58	

## SALES BY GALLONS

	Twelve months ending March 31, 1970	Twelve months ending March 31, 1969	Increase	
<b>Sales by Board Stores</b>				
Canadian Spirits . . . . .	8,352,067	9,250,050	897,983	Dec.
Imported Spirits . . . . .	1,427,352	1,585,857	158,505	Dec.
Canadian Wines . . . . .	3,122,981	3,127,906	4,925	Dec.
Imported Wines . . . . .	1,551,759	1,529,235	22,524	
Canadian Beers . . . . .	3,936,532	3,230,064	706,468	
Imported Beers . . . . .	247,255	366,215	118,960	Dec.
<b>Total Sales by Board Stores . .</b>	<b>18,637,946</b>	<b>19,089,327</b>	<b>451,381</b>	<b>Dec.</b>
<b>Sales by Ontario Wineries and Winery Stores . . . . .</b>	<b>1,181,659</b>	<b>1,204,232</b>	<b>22,573</b>	<b>Dec.</b>
<b>Sales by Breweries and Brewers' Retail Stores . . . .</b>	<b>118,991,175</b>	<b>107,062,233</b>	<b>11,928,942</b>	

Revenue payments totalling \$429,964,714.90 were received by the Treasurer of Ontario, the Government of Canada and by 249 Ontario Municipalities, as a result of levies on beverage alcohol sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of beverage alcohol.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

## Remitted by the Board—

On account of profits, licence fees, etc . . . . \$178,740,575.77

Ontario Retail Sales Tax on sales through  
liquor stores . . . . . 34,264,772.15

213,005,347.92

## Remitted by others—

Ontario Retail Sales Tax on sales through  
retail wine stores and brewers' retail stores . . . . 18,907,397.78

\$231,912,745.70

## GOVERNMENT OF CANADA

## Paid by the Board—

Customs and Excise Duties . . . . . 100,979,411.29

Federal Sales Tax on spirits, wines and  
imported beers . . . . . 21,233,334.27

122,212,745.56

## Paid by others—

Malt duties and taxes on domestic beers and  
wines . . . . . 73,376,881.14

\$195,589,626.70

## ONTARIO MUNICIPALITIES

## Paid by the Board—

Rebates of a proportion of fees received  
from licencees . . . . .

1,526,815.69

Grants in lieu of realty and business taxes .

935,526.81

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\$ 2,462,342.50

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\$429,964,714.90

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## SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES

	1966 Gallons	1967 Gallons	1968 Gallons	1969 Gallons	1970 Gallons
Sales to other Provinces . . . . .	12,441,860	14,653,759	1,122,986	1,383,050	1,137,053
Export Sales . . . . .	2,889,919	2,931,541	2,525,208	2,656,871	3,050,946
	15,331,779	17,585,300	3,648,194	4,039,921	4,187,999

All brands of beer produced by the Ontario Breweries and by the Quebec and Manitoba Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## WINERIES

During the year, the locations of three retail wine stores were changed as follows:

The Parkdale Wines Limited . . . . . From 427 Spadina Avenue, Toronto to Shoppers World, Highway No. 10 and Steele's Avenue, Brampton.

Jordan Wines Limited . . . . . From 26 Queen Street East, Toronto to Greater Hamilton Shopping Centre, Barton Street and Kenilworth Avenue, Hamilton.

From 68 Cumberland Street to 33 Cumberland Street, Thunder Bay.

On February 4, 1970 Andres Wines (Canada) Limited purchased the business of Beau Chatel Wines Limited and surrendered the licence of that company. At March 31, 1970, there were eight wineries and fifty-one retail wine stores in operation.

## SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES

	1966 Gallons	1967 Gallons	1968 Gallons	1969 Gallons	1970 Gallons
Sales to other Provinces . . . . .	3,136,449	3,476,788	3,373,191	2,957,728	3,536,132
Export Sales . . . . .	3,406	13,245	16,652	21,955	34,414
	3,139,855	3,490,033	3,389,843	2,979,683	3,570,546

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1966 Tons	1967 Tons	1968 Tons	1969 Tons	1970 Tons
Grapes used in the manufacture of wine . . . . .	30,128	34,223	35,057	34,453	36,417
Grapes used in the manufacture of concentrates . . . . .	2,639	2,127	2,954	1,681	2,015
Cherries used in the manufacture of wine . . . . .	65	154	65	154	292
	32,832	36,504	38,076	36,288	38,724

## PERSONNEL

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1970, was as follows:

Board Members . . . . .	3	Legal . . . . .	3
Staffs of Departments—		Licencee Accounting . . . . .	12
Chief Commissioner . . . . .	2	Permit . . . . .	7
General Manager . . . . .	5	Personnel . . . . .	11
Accounting . . . . .	78	Purchasing . . . . .	7
Brewery Audit . . . . .	8	Realty and Maintenance . . . . .	18
Customs . . . . .	4	Stock Administration . . . . .	21
Distribution Depot . . . . .	27	Stores . . . . .	2,174
Garage . . . . .	4	Store Audit . . . . .	20
Internal Audit . . . . .	9	Store Operations . . . . .	29
Laboratory . . . . .	6	Traffic . . . . .	7
		Warehouses . . . . .	190

2,645

**BOARD STORES**

The number of board stores operated during the year was 423, which figure includes five additional stores opened at the following locations:

May	10, 1969	*Highway 17	Bruce Mines
May	23, 1969	*41 Main Street	Erin
May	30, 1969	*702 Main Street	Shelburne
June	13, 1969	Onaping Shopping Centre	Onaping
March	16, 1970	*1090 The Queensway	Toronto

**\*Board-owned Properties**

In addition, four stores moved to new locations as follows:

Store	From	To
85	17 Madawaska Street West	*Daniel and William Streets, Arnprior
101	41 Main Street West	*25 Elm Street, Grimsby
125	99 Laurier Street	*Rockland Shopping Plaza, Rockland
153	160 Talbot Street East	Erie Shopping Plaza, 275 Erie Street, Leamington

**\*Board-owned Properties**

The operations of the two delivery stores in Metropolitan Toronto were combined into one distribution depot located at 9 Tippet Road, Downsview. The delivery store at 53 Freeland Street, Toronto was closed and was converted to a sales office.

The Board was therefore operating 422 stores including the distribution depot at March 31, 1970.

**AGENCY STORES**

During the year there were four new agency stores established at the following locations:

July	23, 1969	.....	Lake Despair
August	1, 1969	.....	Raith
October	31, 1969	.....	Pass Lake
March	1, 1970	.....	Sultan

In January 1970 the agency store at Searchmont ceased operation and the licence was cancelled. There were, therefore, thirty-five agency stores in operation at March 31, 1970.

### BREWERIES AND BREWERS' RETAIL STORES

On March 31, 1970, there were eighteen breweries licensed to sell their products in Ontario. Ten of these breweries were located in Ontario, five in Quebec and three in Manitoba.

Four brewers' retail stores opened during the twelve-month period, being located at the following addresses:

April	16, 1969	499 Mohawk Road East	Hamilton
September	24, 1969	Elmvale Shopping Centre, St. Laurent Boulevard and Smyth Road	Ottawa
November	3, 1969	Brampton Shopping Centre, 160 Main Street South	Brampton
November	26, 1969	1125 Bloor Street East	Mississauga

Two brewers' retail stores moved to new locations:

From	To	
3241 Lundy's Lane	2757 Lundy's Lane	Niagara Falls
348 Ontario Street	1107 Confederation Street	Sarnia

The number of brewers' retail stores in operation at March 31, 1970 was 367.

### PERMITS

A classification of permits and licences issued during the year follows:

#### PERMITS 1969-1970

Physicians.....	31
Druggists.....	107
Dentists and Veterinarians.....	44
Mechanical and Scientific.....	390
Manufacturers.....	142
Kitchen.....	52
Hospitals.....	269 (Free)
First Aid.....	21 (Free)

#### LICENCES 1969-1970

Breweries.....	15
Wineries.....	8
Sacramental Wine Vendorships.....	14
Non-potable Alcohol, Storage Warehouses.....	1

**FINANCIAL STATEMENTS**

Current Assets totalling \$45,417,466.39 consisted of the following:

Cash on hand and in banks . . . . .	\$10,439,004.27
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, etc. . . . .	4,010,686.96
Inventories of liquors and supplies . . . . .	30,967,775.16
	<hr/>
	\$45,417,466.39
	<hr/>

Prepaid charges for insurance, taxes, etc., amounted to \$192,737.53.

Mortgage Receivable \$27,667.50, represents the principal amount outstanding, of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay, land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 148 store sites on which completed stores are located; 18 store sites, against 12 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The cost of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,665,669.96 have been charged against Income. The accumulations of Reserve for Depreciation, have been increased by \$692,805.29, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$19,063,693.26 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Contingent Liabilities amount to \$37,133,000.00. These items represent the value of undelivered orders totalling \$28,526,000.00, the amount of \$8,500,000.00 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1970, and the liabilities for property under option and uncompleted building contracts of \$107,000.00. These contingent liabilities have not been reflected in the trading profits of the Board.

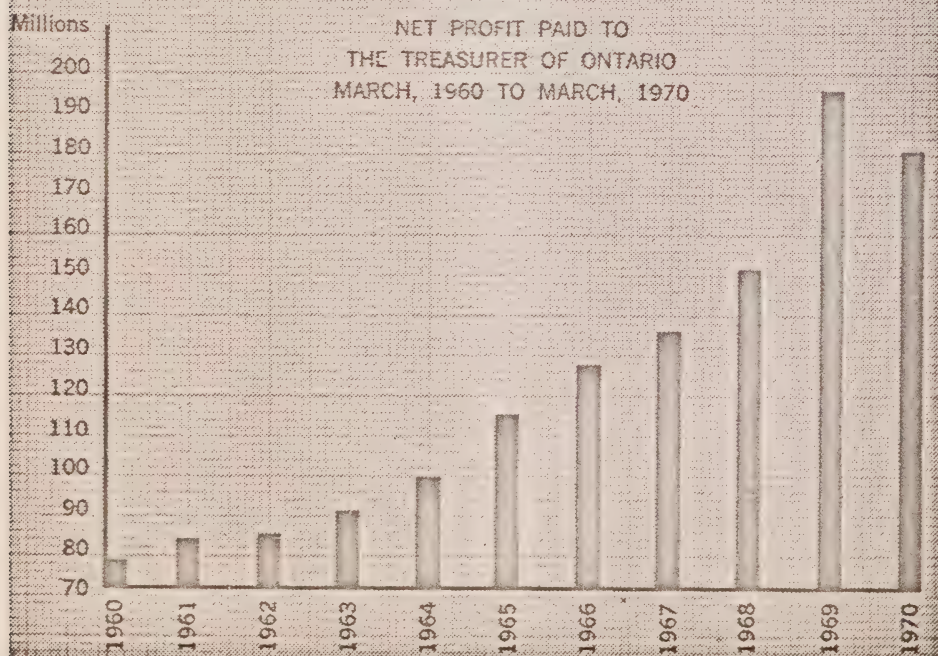
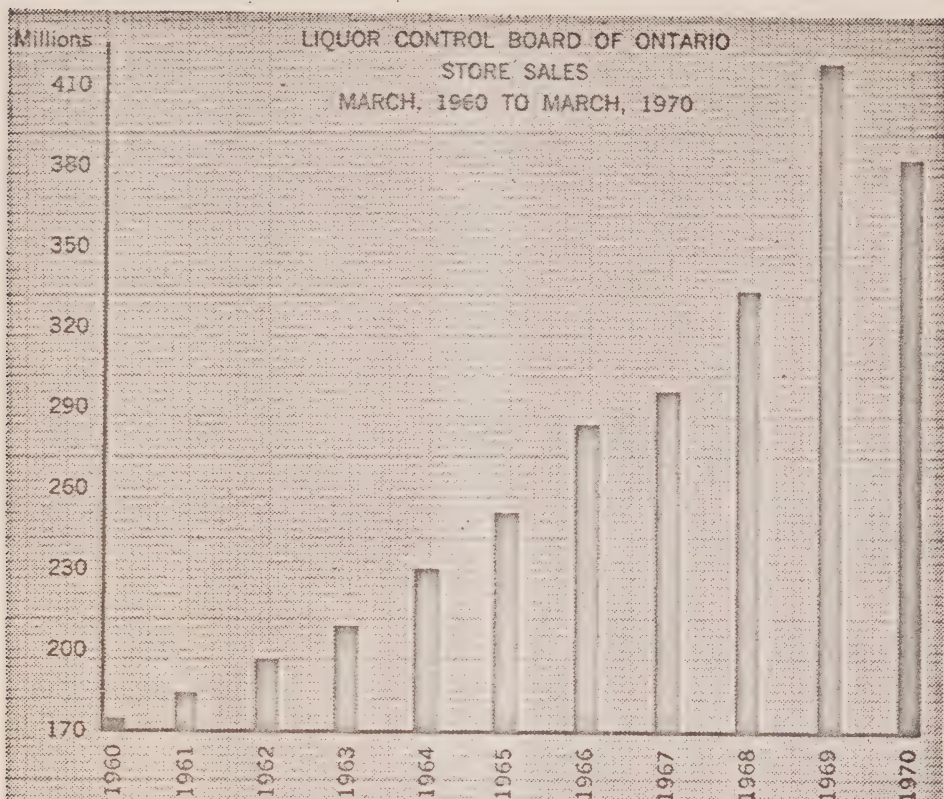
The Statement of Income shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$382,815,677.85.

The same statement shows a gross trading profit of \$169,370,921.08 and other revenue of \$42,509,414.42 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$33,139,759.73 consisting of administrative and operating expenses (including \$1,429,413.86 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$178,740,575.77. After bringing forward the net income of \$178,740,575.77 a balance of \$25,074,515.16 remained in Retained Income.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.



## LIQUOR CONTROL

## BALANCE SHEET

(with comparative

## ASSETS

	1970 \$	1969 \$
<b>CURRENT</b>		
Cash on hand, in transit and in banks.....	10,439,004.27	10,994,474.49
Accounts receivable.....	4,010,686.96	3,913,038.31
Inventories:		
Liquors in warehouses and stores, at cost...	30,764,152.03	27,311,476.91
Stationery, supplies, empties, etc.....	203,623.13	254,417.73
	<u>30,967,775.16</u>	<u>27,565,894.64</u>
Total Current.....	45,417,466.39	42,473,407.44
PREPAID INSURANCE AND OTHER CHARGES..	192,737.53	350,676.31
MORTGAGE RECEIVABLE.....	27,667.50	29,496.25
<b>FIXED</b>		
Land, at cost.....	6,644,216.20	6,261,662.83
Buildings, at cost.....	28,179,303.73	26,896,165.14
Furniture and equipment, at cost.....	5,681,968.56	5,432,576.14
Alterations to owned and rented premises, at cost	5,614,632.46	5,171,219.59
	<u>46,120,120.95</u>	<u>43,761,623.70</u>
Less amounts written off.....	46,119,783.95	43,761,308.70
	<u>337.00</u>	<u>315.00</u>
	<u>45,638,208.42</u>	<u>42,853,895.00</u>

Approved

J. S. ABRA,  
General Manager.

F. A. MacINNIS,  
Assistant General Manager—Finance.

## BOARD OF ONTARIO

March 31, 1970

figures for 1969)

	LIABILITIES	
	1970 \$	1969 \$
<b>CURRENT</b>		
Accounts payable, accrued charges, etc . . . . .	18,792,624.42	16,138,875.84
Deferred revenue . . . . .	271,068.84	140,504.00
	<u>19,063,693.26</u>	<u>16,279,379.84</u>
RESERVE FOR INSURANCE . . . . .	1,000,000.00	1,000,000.00
RESERVE FOR CONTINGENCIES . . . . .	500,000.00	500,000.00
RETAINED INCOME . . . . .	25,074,515.16	25,074,515.16
 <b>OUTSTANDING COMMITMENTS</b>		
Duty on stocks in bond . . . . . \$	8,500,000.00	
Liquors ordered but not delivered (including duty, freight, etc.) . . . . .	28,526,000.00	
Property under option and uncompleted building contracts . . . . .	107,000.00	
	<u>\$37,133,000.00</u>	
	<u><u>45,638,208.42</u></u>	<u><u>42,853,895.00</u></u>

## AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1970 and the statements of income, retained income and source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

Toronto, July 28, 1970.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers.....	
Cost of Sales:	
Inventories at beginning of year.....	\$ 27,311,476.91
Purchases.....	216,897,431.89
	<hr/>
	\$244,208,908.80
Less: Inventories at end of year.....	30,764,152.03
	<hr/>
Gross Profit on Sales.....	

## OTHER REVENUE

Brewers' licence fees.....	\$ 22,500.00
Brewery store and brewers' retail store licence fees.....	216,100.00
Gallonage fees on beer production—Ontario breweries ....	29,797,024.63
Gallonage fees on beer sales—Extra-Provincial breweries ..	1,817,953.21
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share).....	6,792,161.67
Ontario wine licence fees.....	928,343.48
Miscellaneous permits.....	1,312.00
Special occasion permits.....	1,250,820.00
Transfer fees.....	952,246.13
Interest on bank balances.....	152,134.60
Remuneration for collecting Ontario Retail Sales Tax.....	348,935.09
Miscellaneous receipts.....	229,883.61
	<hr/>

## INCOME.....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses.....	\$ 30,704,215.52
Furniture and equipment and alterations to owned and rented premises written off.....	769,874.25
Additions to land and buildings during the year—written off.	1,665,669.96
	<hr/>

## NET INCOME.....

## BOARD OF ONTARIO

## INCOME

March 31, 1970

	Percentages to Sales			Percentages to Income		
	1969-70 %	1968-69 %	1967-68 %	1969-70 %	1968-69 %	1967-68 %
\$382,815,677.85	100.00	100.00	100.00			
213,444,756.77	55.76	55.63	55.95			
\$169,370,921.08	44.24	44.37	44.05	79.94	82.36	81.72
42,509,414.42	11.10	9.50	9.85	20.06	17.64	18.28
\$211,880,335.50	55.34	53.87	53.90	100.00	100.00	100.00
33,139,759.73	8.65	7.55	9.31	15.64	14.01	17.28
\$178,740,575.77	46.69	46.32	44.59	84.36	85.99	82.72

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF RETAINED INCOME

For the year ended March 31, 1970

Balance at beginning of year.....	\$ 25,074,515.16
 Add:	
Net income for the year ended March 31, 1970.....	178,740,575.77
	<hr/>
	\$203,815,090.93
 Deduct:	
Payments to Treasurer of Ontario on account of profits.....	178,740,575.77
	<hr/>
Balance at end of year.....	<u><u>\$ 25,074,515.16</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended March 31, 1970

## SOURCE OF FUNDS

Net Income.....	\$178,740,575.77	
Add: Items not requiring an outlay of funds—		
Provision for write off:		
Land and buildings..	\$1,665,669.96	
Furniture and equip- ment and altera- tions to premises..	769,874.25	
	<u>2,435,544.21</u>	
		\$181,176,119.98
Decrease in Prepaid Insurance and Other Charges.....		157,938.78
Decrease in Mortgage Receivable.....		1,828.75
		<u>\$181,335,887.51</u>

## APPLICATION OF FUNDS

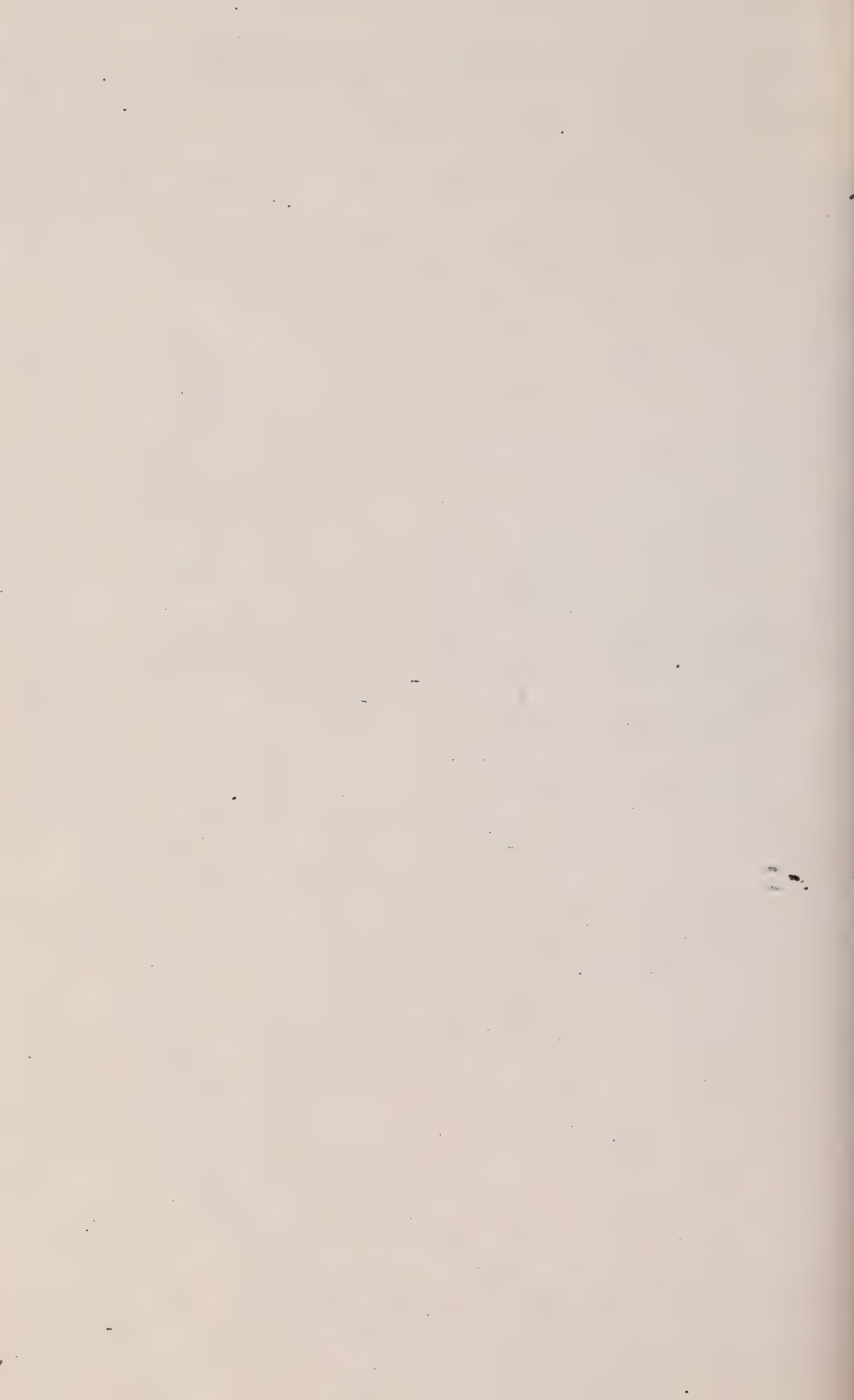
Investment in:		
Land and buildings.....	\$ 1,665,691.96	
Furniture and equipment and alterations to premises.....	769,874.25	
	<u>\$ 2,435,566.21</u>	
Payments to Treasurer of Ontario on account of profits.....		178,740,575.77
Increase in Working Capital.....		159,745.53
		<u>\$181,335,887.51</u>

## LIQUOR CONTROL BOARD OF ONTARIO

## ADMINISTRATIVE AND OPERATING EXPENSES

For the year ended March 31, 1970

		Percentage to Sales	
		1969-70	1968-69
Salaries.....	\$22,079,826.08	5.77	4.98
Superannuation and Retirement Funds..	896,329.64	.23	.20
Canada Pension Plan.....	264,147.73	.07	.06
Employees' insurance and health plan.	318,698.48	.08	.06
Workmen's Compensation and Unemployment Insurance.....	47,195.50	.01	.01
Rent.....	2,001,197.76	.52	.47
Light, heat and power.....	576,639.01	.15	.13
Premises protection.....	49,250.74	.01	.01
Repairs and maintenance.....	862,874.56	.23	.24
Insurance.....	69,598.95	.02	.02
Grants in lieu of business taxes .....	404,756.33	.11	.09
Grants in lieu of property taxes.....	530,770.48	.14	.11
Postage.....	80,937.27	.02	.02
Stationery.....	426,146.30	.11	.10
Telephone and telegraph.....	145,597.23	.04	.03
Packing material.....	408,546.30	.11	.10
Freight.....	6,361.66	.00	.00
Discounts.....	49,856.46	.01	.01
N.A.T.O. discounts.....	104,451.15	.03	.02
Agency commissions.....	181,504.87	.05	.04
Agency expenses.....	11,294.87	.00	.00
Breakages.....	65,645.99	.02	.02
Sundries.....	361,667.27	.09	.10
Travelling.....	403,140.88	.10	.10
Car and truck expenses .....	4,379.21	.00	.00
Tabulating equipment rental and supplies.....	216,854.94	.06	.04
Ontario Provincial Police— Reimbursement of certain adminis- trative and enforcement expenses.	136,545.86	.04	.02
	<u>\$30,704,215.52</u>	<u>8.02</u>	<u>6.98</u>





# **Forty-Fifth Report**

**OF THE**

**LIQUOR CONTROL BOARD**

**OF**

**ONTARIO.**

**APRIL 1st, 1970 TO MARCH 31st, 1971**



# **Forty-Fifth Report**

**OF THE**

## **LIQUOR CONTROL BOARD**

**OF**

## **ONTARIO**

**FROM APRIL 1st, 1970 TO MARCH 31st, 1971**

**PRINTED BY ORDER OF  
THE LEGISLATIVE ASSEMBLY OF ONTARIO**



**ONTARIO**

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# LIQUOR CONTROL BOARD OF ONTARIO

55 Lake Shore Boulevard East,  
Toronto 2, Ontario,  
December 13th, 1971.

The Honourable W. Ross Macdonald, P.C., C.D., Q.C., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

In accordance with Section 14 of The Liquor Control Act of Ontario, I have the honour to submit herewith the forty-fifth report of the Liquor Control Board of Ontario. This report covers details of the activities of the Board for the fiscal year which ended March 31st, 1971. Proper control and efficient distribution of the products of the breweries, distilleries and wineries continued to be two of the main functions of the Board.

During the year the Board operated 434 stores. This figure included twelve new stores, four relocations and one store which was renovated at the same location. In keeping with the Board's policy to expand the self serve operation, eight of the new stores, two relocated stores and the one renovation were made self serve. There was a total of thirteen self serve stores in operation at March 31st, 1971. Additional stores will be converted to provide a better service for the purchasing public.

The sales of spirits, wines and beers through the stores exceeded 415 millions of dollars, an increase of 8.5% over the previous year. At the same time the profit of \$193,209,268.11 paid to the Treasurer of Ontario was the highest in the history of the Board. Ontario retail sales tax collected through the stores' sales and remitted to the Treasurer amounted to \$36,971,575.57.

The graph included in this report again indicates the growth of the Board over the past ten years. Two additional charts show the distribution of the revenue received during the fiscal year under review.

A number of minor changes in the Advertising Directive has been accepted by the general public and the industry. These changes continue to emphasize good taste in all liquor advertising and at the same time the Directive operates on a brand preference basis rather than an increase in the use of beverage alcohol.

Some years ago the Board introduced a training program for the store managers in the form of periodic area meetings. This program has been maintained and provides an excellent opportunity for the exchange of new ideas and improved communication between

head office and the stores. Other methods of employee training include the orientation program for new employees, training tours of the various industry plants, seminars for new store managers held annually at head office and specialized courses for the wine consultants.

Since I assumed office on December 1, 1970, I have had the opportunity to visit every area of the province and as many individual stores as possible. I am most pleased to report that my previous opinion of friendly courteous service and efficiency was confirmed. Accordingly I would like to thank the nearly 2700 permanent employees of the Board. Their hard work and efforts have contributed to the continued success of the Board's operations. In addition, the employees should be commended for the roles they play as citizens in their respective communities.

A warm tribute should also be paid to my predecessor Mr. G. H. Sheppard, for his fine record as Chief Commissioner over the past eight years. In addition I wish to thank Mr. R. J. Harris, Deputy Chief Commissioner, Reverend A. Walter Downer, M.P.P., Mr. J. S. Abra, General Manager and all the Board's executives, for their efforts over the past year.

I have the honour to be, Sir,

Your obedient servant,

GEORGE KITCHING,  
Chief Commissioner.

## SALES

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$415,372,628.28. Sales in Ontario, of Canadian wine made direct to customers from licensed retail wine stores and wineries amounted to \$9,772,082.48. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$272,219,709.21.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

### SALES BY VALUE

	Twelve months ending March 31, 1971	Twelve months ending March 31, 1970	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$286,907,099.38	\$270,509,190.33	\$ 16,397,909.05
Imported Spirits	60,099,102.33	53,912,321.91	6,186,780.42
Canadian Wines	28,447,201.65	24,669,392.37	3,777,809.28
Imported Wines	26,565,038.59	21,801,942.52	4,763,096.07
Canadian Beers	11,752,821.51	10,444,884.40	1,307,937.11
Imported Beers	1,601,364.82	1,477,946.32	123,418.50
<b>Total Sales by Board Stores . . . . .</b>	<b>\$415,372,628.28</b>	<b>\$382,815,677.85</b>	<b>\$ 32,556,950.43</b>
<b>Sales by Ontario Wineries and Winery Stores . . . . .</b>	<b>\$ 9,772,082.48</b>	<b>\$ 8,864,317.55</b>	<b>\$ 907,764.93</b>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>	<b>\$272,219,709.21</b>	<b>\$255,770,227.90</b>	<b>\$ 16,449,481.31</b>

## SALES BY GALLONS

	Twelve months ending March 31, 1971	Twelve months ending March 31, 1970	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits . . . . .	8,869,134	8,352,067	517,067
Imported Spirits . . . . .	1,584,059	1,427,352	156,707
Canadian Wines . . . . .	3,503,265	3,122,981	380,284
Imported Wines . . . . .	1,972,937	1,551,759	421,178
Canadian Beers . . . . .	4,429,885	3,936,532	493,353
Imported Beers . . . . .	264,967	247,255	17,712
<b>Total Sales by Board Stores . . . . .</b>	<b>20,624,247</b>	<b>18,637,946</b>	<b>1,986,301</b>
<b>Sales by Ontario Wineries and Winery Stores . . . . .</b>	<b>1,270,028</b>	<b>1,181,659</b>	<b>88,369</b>
<b>Sales by Breweries and Brewers' Retail Stores . . . . .</b>	<b>126,398,766</b>	<b>118,991,175</b>	<b>7,407,591</b>

Revenue payments totalling \$463,444,428.16 were received by the Treasurer of Ontario, the Government of Canada and by 244 Ontario Municipalities, as a result of levies on beverage alcohol sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of beverage alcohol. It should be noted that this total represents the highest ever paid to the various levels of government.

A summary of the aforementioned revenue payments follows:

## TREASURER OF ONTARIO

## Remitted by the Board—

On account of profits, licence fees, etc . . . . \$193,209,268.11

Ontario Retail Sales Tax on sales through  
liquor stores . . . . . 36,971,575.57

230,180,843.68

## Remitted by others—

Ontario Retail Sales Tax on sales through  
retail wine stores and brewers' retail stores 20,457,812.25

\$250,638,655.93

## GOVERNMENT OF CANADA

## Paid by the Board—

Customs and Excise Duties . . . . . 106,945,255.12

Federal Sales Tax on spirits, wines and  
imported beers . . . . . 22,736,486.77

129,681,741.89

## Paid by others—

Malt duties and taxes on domestic beers and  
wines . . . . . 80,330,328.66

\$210,012,070.55

**ONTARIO MUNICIPALITIES****Paid by the Board—**

Rebates of a proportion of fees received

from licencees . . . . . 1,651,450.00

Grants in lieu of realty and business taxes . . . . . 1,142,251.68

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\$ 2,793,701.68

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\$463,444,428.16

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**SALES BY BREWERIES TO OTHER PROVINCES AND COUNTRIES**

	1967 Gallons	1968 Gallons	1969 Gallons	1970 Gallons	1971 Gallons
Sales to other Provinces . . . . .	14,653,759	1,122,986	1,383,050	1,137,053	3,019,168
Export Sales . . . . .	2,931,541	2,525,208	2,656,871	3,050,946	2,900,609
	17,585,300	3,648,194	4,039,921	4,187,999	5,919,777

All brands of beer produced by the Ontario Breweries and by the Quebec and Manitoba Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

**WINERIES**

During the year, two retail wine stores were relocated as follows:

Jordan Wines Limited . . . . . From 169 Sparks Street, Ottawa to 1200 St. Laurent Boulevard, Ottawa.

The Parkdale Wines Limited . . . . . From 40 Government Road, Kirkland Lake to Sherway Gardens, 25 The West Mall, Etobicoke.

As at March 31, 1971 the total number of wineries and winery retail stores were eight and fifty-one respectively.

**SALES BY WINERIES TO OTHER PROVINCES AND COUNTRIES**

	1967 Gallons	1968 Gallons	1969 Gallons	1970 Gallons	1971 Gallons
Sales to other Provinces.....	3,476,788	3,373,191	2,957,728	3,536,132	3,970,456
Export Sales.....	13,245	16,652	21,955	34,414	34,409
	3,490,033	3,389,843	2,979,683	3,570,546	4,004,865

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1967 Tons	1968 Tons	1969 Tons	1970 Tons	1971 Tons
Grapes used in the manufacture of wine	34,223	35,057	34,453	36,417	40,278
Grapes used in the manufacture of concentrates.....	2,127	2,954	1,681	2,015	2,139
Cherries used in the manufacture of wine	154	65	154	292	12
	36,504	38,076	36,288	38,724	42,429

**PERSONNEL**

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1971, was as follows:

Board Members.....	3	Legal.....	3
Staffs of Departments—		Licencee Accounting.....	10
Chief Commissioner.....	2	Permit.....	6
General Manager.....	4	Personnel.....	11
Accounting.....	79	Purchasing.....	7
Brewery Audit.....	7	Realty and Maintenance.....	18
Customs.....	4	Stock Administration.....	21
Distribution Depot.....	28	Stores.....	2,219
Garage.....	3	Store Audit.....	19
Internal Audit.....	9	Store Operations.....	29
Laboratory.....	8	Traffic.....	8
		Warehouses.....	183

2,681

**BOARD STORES**

The number of board stores operated during the year was 434, which figure includes twelve additional stores opened at the following locations:

April	11, 1970	*First and Fourth Streets	Moosonee
April	13, 1970	1125 Bloor Street East	Mississauga
April	25, 1970	*1 Park Street	Burford
May	7, 1970	615 Grand Avenue	Chatham
May	15, 1970	2868 Ellesmere Road	Scarborough
May	21, 1970	1 Prince Street	Lansdowne
May	21, 1970	1379 Woodroffe Street	Ottawa
June	27, 1970	Highway 511	Calabogie
July	30, 1970	Highway 11	Marten River
August	14, 1970	*42 Main Street North	Hagersville
February	8, 1971	Long Sault Shopping Centre	Long Sault
March	24, 1971	Westmount Centre	London

**\*Board-owned Properties**

On June 13, 1970, the store at 29 Charles Street, Hamilton closed for business due to expropriation of the property by the City of Hamilton.

There were, therefore, 433 stores in operation at March 31, 1971 including the distribution depot.

Four stores were moved to new locations during the year as follows:

Store	From	To
54	156 McIntyre Street West	*186 Worthington Street, North Bay
58	67 Balsam Street South	70 Algonquin Street West, Timmins
129	Main Street	*100 Main Street, Geraldton
144	67 Raglan Street	*114 Argyle Street, Renfrew

**\*Board-owned Properties****AGENCY STORES**

There were six new agency stores established during the year at the following locations:

July	2, 1970	.....	Jellicoe
July	22, 1970	.....	Perrault Falls
August	25, 1970	.....	Dalton
October	19, 1970	.....	Sioux Narrows
October	20, 1970	.....	Dubreuilville
October	22, 1970	.....	Marten River

The agency at Gowganda ceased operations on November 27, 1970 and the licence was cancelled. As a result there were forty agency stores in operation at March 31, 1971.

## BREWERIES AND BREWERS' RETAIL STORES

Eighteen breweries were licensed to sell their products in Ontario, at March 31, 1971. There were ten breweries located in Ontario, five in Quebec and three in Manitoba.

Eight brewers' retail stores opened during the year, located at the following addresses:

April	9, 1970	2866 Ellesmere Road	Toronto
July	23, 1970	3875 Keele Street	Toronto
October	8, 1970	2540 Finch Avenue West	Toronto
December	8, 1970	Shirley and Monique Streets	Chelmsford
December	14, 1970	2401 Eglinton Avenue East	Toronto
December	19, 1970	1177 Danforth Avenue	Toronto
December	21, 1970	155 Clarke Road	London
March	24, 1971	785 Wonderland Road	London

On November 28, 1970 the brewers' retail store in Spanish was closed.

Two stores were relocated as follows:

From	To	
111 Bruce Street	Highway #101	South Porcupine
400 College Street	452 Bathurst Street	Toronto

There were 374 brewers' retail stores in operation at March 31, 1971.

## PERMITS

A classification of permits and licences issued during the year follows:

### PERMITS 1970-1971

Physicians.....	27
Druggists.....	96
Dentists and Veterinarians.....	47
Mechanical and Scientific.....	403
Manufacturers.....	141
Kitchen.....	51
Hospitals.....	275 (Free)
First Aid.....	19 (Free)

### LICENCES 1970-1971

Breweries.....	15
Wineries.....	8
Sacramental Wine Vendorships.....	14
Non-potable Alcohol, Storage Warehouses.....	1

## FINANCIAL STATEMENTS

Current Assets totalling \$51,824,097.29 consisted of the following:

Cash on hand and in banks . . . . .	\$11,157,782.84
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, etc. . . . .	4,907,142.61
Inventories of liquors and supplies . . . . .	35,759,171.84
	<u>\$51,824,097.29</u>

Prepaid charges for insurance, taxes, etc., amounted to \$40,400.85.

Mortgage Receivable \$25,733.75, represents the principal amount outstanding, of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed Assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 152 store sites on which completed stores are located; 24 store sites, against 16 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The cost of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,050,695.92 have been charged against income. The accumulations of Reserve for Depreciation, have been increased by \$681,379.56, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$25,316,071.73 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences, etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Outstanding Commitments amounted to \$33,658,000.00. These items represent the value of undelivered orders totalling \$25,991,000.00, the amount of \$7,324,000.00 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31st, 1971, and the liabilities for property under option and uncompleted building contracts of \$343,000.00. These outstanding commitments have not been reflected in the trading profits of the Board.

The Statement of Income shows that sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$415,372,628.28.

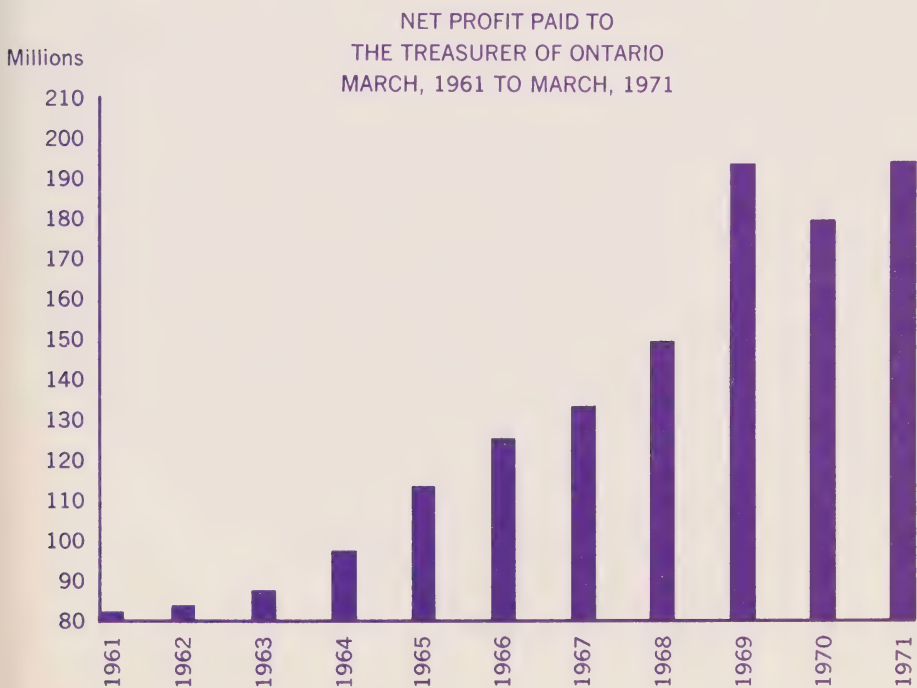
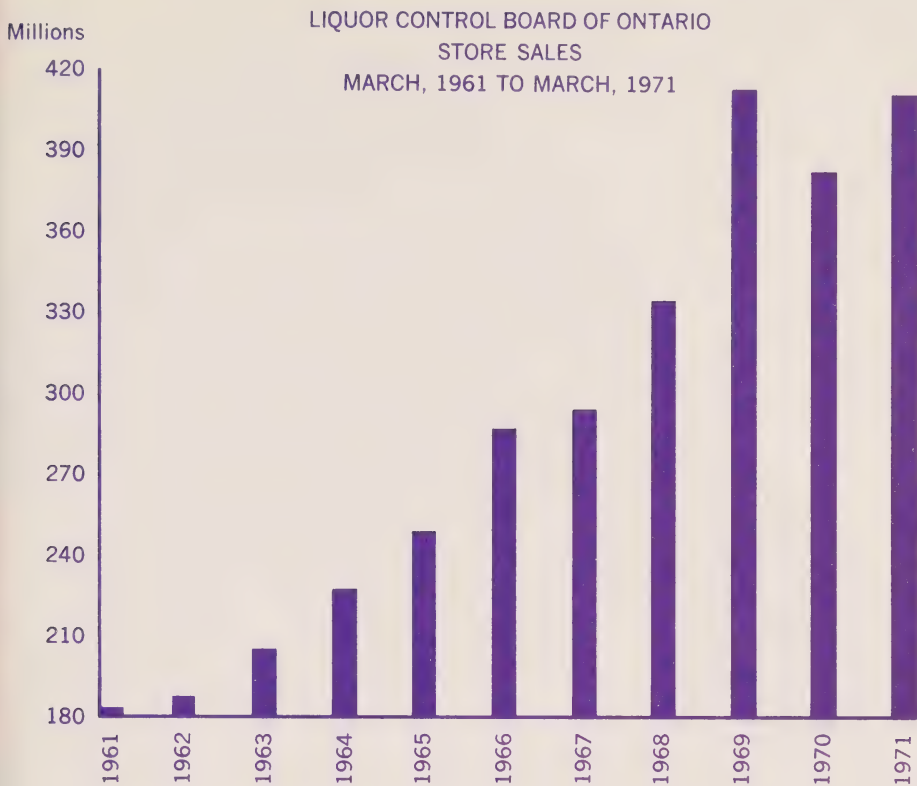
The same statement shows a gross trading profit of \$183,584,469.21 and other revenue of \$46,453,879.63 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$36,829,080.73 consisting of administrative and operating expenses (including \$1,582,577.28 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$193,209,268.11. After bringing forward the net income of \$193,209,268.11 a balance of \$25,074,515.16 remained in Retained Income.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

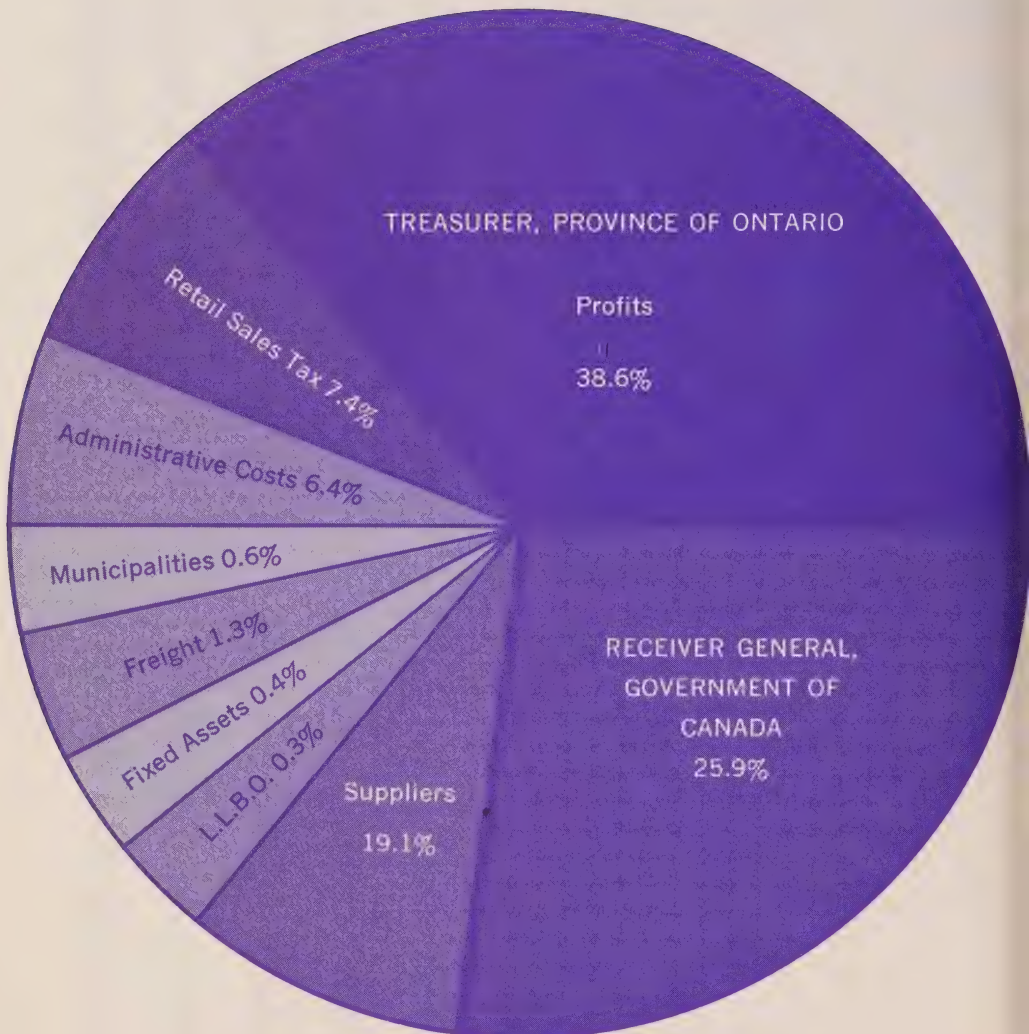
The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

The Statement of Administration and Operation includes a total of \$396,379.95 for sundry expenses that do not warrant separate disclosure. Of this total \$230,455.48 represents expenses paid from the stores' and warehouses' petty cash.

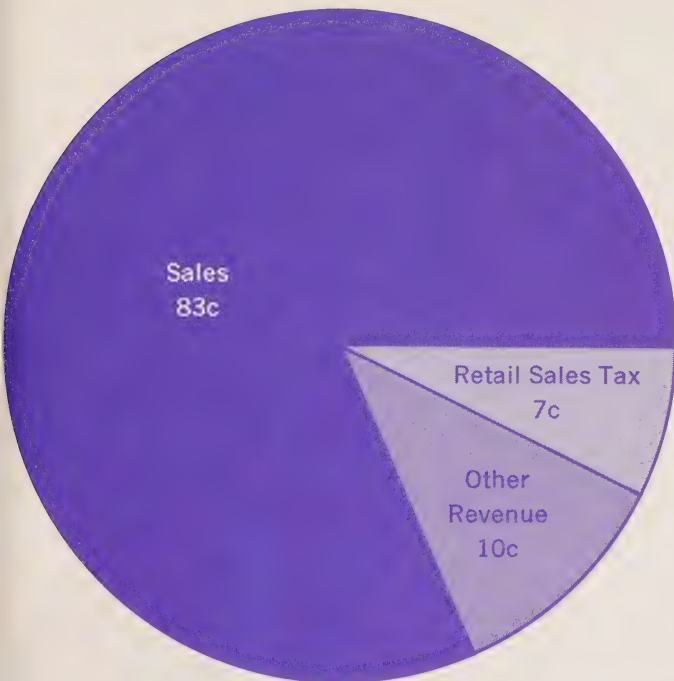


LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1970 - 1971

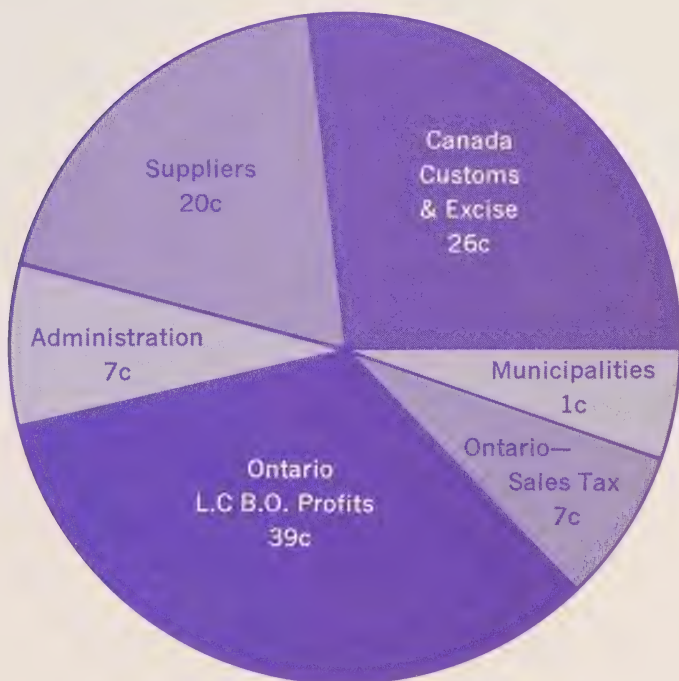


## THE L.C.B.O. DOLLAR

1970 - 1971



Where it comes from



How it is spent

## LIQUOR CONTROL

## BALANCE SHEET

(with comparative

	ASSETS	
	1971 \$	1970 \$
<b>CURRENT</b>		
Cash on hand, in transit and in banks.....	11,157,782.84	10,439,004.27
Accounts receivable.....	4,907,142.61	4,010,686.96
Inventories:		
Liquors in warehouses and stores, at cost...	35,513,362.08	30,764,152.03
Stationery, supplies, empties, etc.....	245,809.76	203,623.13
	<hr/> 35,759,171.84	<hr/> 30,967,775.16
Total Current.....	51,824,097.29	45,417,466.39
PREPAID INSURANCE AND OTHER CHARGES..	40,400.85	192,737.53
MORTGAGE RECEIVABLE.....	25,733.75	27,667.50
<b>FIXED</b>		
Land, at cost.....	6,874,196.23	6,644,216.20
Buildings, at cost.....	29,000,037.62	28,179,303.73
Furniture and equipment, at cost.....	6,057,383.28	5,681,968.56
Alterations to owned and rented premises, at cost	5,920,597.30	5,614,632.46
	<hr/> 47,852,214.43	<hr/> 46,120,120.95
Less amounts written off.....	47,851,859.43	46,119,783.95
	<hr/> 355.00	<hr/> 337.00
	<hr/> <hr/> 51,890,586.89	<hr/> <hr/> 45,638,208.42

Approved

J. S. ABRA,  
General Manager.

F. A. MacINNIS,  
Assistant General Manager—Finance.

## BOARD OF ONTARIO

March 31, 1971

figures for 1970)

## LIABILITIES

	1971 \$	1970 \$
<b>CURRENT</b>		
Accounts payable, accrued charges, etc . . . . .	25,046,181.73	18,792,624.42
Deferred revenue . . . . .	269,890.00	271,068.84
	<u>25,316,071.73</u>	<u>19,063,693.26</u>
<b>RESERVE FOR INSURANCE . . . . .</b>	1,000,000.00	1,000,000.00
<b>RESERVE FOR CONTINGENCIES . . . . .</b>	500,000.00	500,000.00
<b>RETAINED INCOME . . . . .</b>	25,074,515.16	25,074,515.16
 <b>OUTSTANDING COMMITMENTS</b>		
Duty on stocks in bond . . . . .	\$ 7,324,000	
Liquors ordered but not delivered (including duty, freight, etc.) . . . . .	25,991,000	
Property under option and uncompleted building contracts . . . . .	343,000	
	<u>\$33,658,000</u>	
	 <u>51,890,586.89</u>	 <u>45,638,208.42</u>

## AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1971 and the statements of income, retained income and source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GEORGE H. SPENCE, F.C.A.,  
Provincial Auditor.

Toronto, August 16, 1971.

## LIQUOR CONTROL

## STATEMENT OF

For the year ended

## SALES

Sales of spirits, wines and beers.....	
Cost of Sales:	
Inventories at beginning of year.....	\$ 30,764,152.03
Purchases.....	236,537,369.12
	<hr/>
	\$267,301,521.15
Less: Inventories at end of year.....	35,513,362.08
	<hr/>
Gross Profit on Sales.....	

## OTHER REVENUE

Brewers' licence fees.....	\$ 22,500.00
Brewery store and brewers' retail store licence fees.....	221,100.00
Gallonage fees on beer production—Ontario breweries ....	32,747,546.75
Gallonage fees on beer sales—Extra-Provincial breweries ..	1,858,618.72
Licences and fees—The Liquor Licence Act (net after deducting Municipalities' share).....	7,314,589.96
Ontario wine licence fees.....	1,022,083.99
Miscellaneous permits.....	1,294.00
Special occasion permits.....	1,343,680.00
Transfer fees.....	1,122,794.38
Interest on bank balances.....	123,564.75
Remuneration for collecting Ontario Retail Sales Tax.....	373,632.07
Miscellaneous income .....	302,475.01
	<hr/>

## INCOME.....

## EXPENSES—(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses.....	\$ 34,958,979.55
Furniture and equipment and alterations to owned and rented premises written off.....	819,405.26
Additions to land and buildings during the year—written off.	1,050,695.92
	<hr/>

## NET INCOME.....

## BOARD OF ONTARIO

## INCOME

March 31, 1971

	Percentages to Sales			Percentages to Income		
	1970-71 %	1969-70 %	1968-69 %	1970-71 %	1969-70 %	1968-69 %
\$415,372,628.28	100.00	100.00	100.00			
231,788,159.07	55.80	55.76	55.63			
\$183,584,469.21	44.20	44.24	44.37	79.81	79.94	82.36
46,453,879.63	11.18	11.10	9.50	20.19	20.06	17.64
\$230,038,348.84	55.38	55.34	53.87	100.00	100.00	100.00
36,829,080.73	8.87	8.65	7.55	16.01	15.64	14.01
\$193,209,268.11	46.51	46.69	46.32	83.99	84.36	85.99

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF RETAINED INCOME

For the year ended March 31, 1971

Balance at beginning of year.....	\$ 25,074,515.16
Add:	
Net income for the year ended March 31, 1971.....	193,209,268.11
	<hr/>
	\$218,283,783.27
Deduct:	
Payments to Treasurer of Ontario on account of profits.....	193,209,268.11
	<hr/>
Balance at end of year.....	<u><u>\$ 25,074,515.16</u></u>

## LIQUOR CONTROL BOARD OF ONTARIO

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended March 31, 1971

## SOURCE OF FUNDS

Net Income.....	\$193,209,268.11	
Add: Items not requiring an outlay of funds—		
Provision for write off:		
Land and buildings..	\$1,050,695.92	
Furniture and equip- ment and altera- tions to premises..	819,405.26	
	<u>1,870,101.18</u>	
		\$195,079,369.29
Decrease in Prepaid Insurance and Other Charges.....		152,336.68
Decrease in Mortgage Receivable.....		1,933.75
		<u>\$195,233,639.72</u>

## APPLICATION OF FUNDS

Investment in:		
Land and buildings.....	\$ 1,050,713.92	
Furniture and equipment and alterations to premises.....	819,405.26	
	<u>\$ 1,870,119.18</u>	
Payments to Treasurer of Ontario on account of profits.....		193,209,268.11
Increase in Working Capital.....		154,252.43
		<u>\$195,233,639.72</u>

## LIQUOR CONTROL BOARD OF ONTARIO

**ADMINISTRATIVE AND OPERATING EXPENSES**

(including Liquor Licence Board of Ontario expenses)

For the year ended March 31, 1971

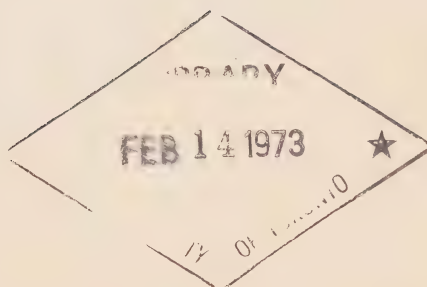
		Percentage to Sales	
		1970-71	1969-70
Salaries.....	\$25,070,779.03	6.04	5.77
Superannuation and Retirement Funds..	1,022,183.18	.25	.23
Canada Pension Plan.....	299,295.66	.07	.07
Employees' insurance and health plan.	548,110.10	.13	.08
Workmen's Compensation and Unemployment Insurance.....	59,218.93	.01	.01
Rent.....	2,090,709.08	.50	.52
Light, heat and power.....	620,908.50	.15	.15
Premises protection.....	60,476.71	.01	.01
Repairs and maintenance.....	974,650.65	.23	.23
Insurance.....	70,134.35	.02	.02
Grants in lieu of business taxes .....	522,482.64	.13	.11
Grants in lieu of property taxes.....	619,769.04	.15	.14
Postage.....	70,428.07	.02	.02
Stationery.....	498,512.90	.12	.11
Telephone and telegraph.....	164,172.80	.04	.04
Packing material.....	485,122.92	.12	.11
Freight.....	13,242.57	.00	.00
Discounts.....	44,613.74	.01	.01
N.A.T.O. discounts.....	88,915.86	.02	.03
Agency commissions.....	204,017.87	.05	.05
Agency expenses.....	12,313.30	.00	.00
Breakages.....	80,042.87	.02	.02
Sundries.....	396,379.95	.10	.09
Travelling.....	460,040.27	.11	.10
Car and truck expenses .....	5,998.17	.00	.00
Tabulating equipment rental and supplies.....	257,242.68	.06	.06
Toronto Warehouse simulation studies	70,837.50	.02	
Ontario Provincial Police— Reimbursement of certain adminis- trative and enforcement expenses.	148,380.21	.04	.04
	<u>\$34,958,979.55</u>	<u>8.42</u>	<u>8.02</u>

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# 46<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1971  
to MARCH 31st, 1972





# 46<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1971  
to MARCH 31st, 1972





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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario M5E 1A4,  
November 14th, 1972.

The Honourable W. Ross MacDonald, P.C., C.D., Q.C., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

The forty-sixth report of the Liquor Control Board of Ontario is submitted herewith pursuant to Section 14 of the Liquor Control Act. The Board continued at all times to discharge its responsibilities in the area of control and distribution of products. Some aspects of each are covered in detail later in the report.

The Board operated 452 stores during the year. Nineteen new stores were opened, of which eighteen were self-serve. A duty free store was opened in December 1971 at the Toronto International Airport.

Sales through the Board stores increased \$61,361,377.63 over the previous year. At the same time the net profit, paid to the Treasurer of Ontario, increased by \$26,534,840.35 or 13.7%. In spite of the growth of the Board and resultant increases in the number of stores, employees and expenses, the cost of administration has remained at 8% of total sales which is consistent with prior years.

The Board at all times maintains a quality control check on all products sold. Samples of all shipments are analysed by the laboratory at the Toronto Warehouse. This assures the highest quality of merchandise regardless of origin.

Changes in legislation, and changes in social outlook brought about by immigration and travel are changing the purchasing habits of the public. As a result there is a greater demand for more diversified products, particularly in the area of wines. To satisfy this demand the Board is increasing the number of products from all parts of the world.

The attraction of the self-serve store has led to increased demands to establish new stores, particularly in smaller communities. In order to meet this demand we are planning to provide ten mobile self-serve stores which will be placed in communities pending construction of permanent stores.

In addition to control and revenue, the need for an expanded program of customer service has become more important. To this end the Board has introduced programs such as conversion to self-serve operation, bilingual price boards, increases in the number of stores and brand selection. This program will be accelerated in the forthcoming year. Better methods of merchandising will be reviewed. The pricing structure of wines is presently under review. It is planned that better communication between the public and the Board will be achieved. A program to solicit customers' comments and opinions has started in the stores through the use of questionnaires.

At this time I would like to express my appreciation to the 2,816 permanent employees of the Board for their excellent efforts over the past year. Special thanks are extended to Mr. R. J. Harris, Deputy Chief Commissioner, Reverend A. Walter Downer, M.P.P., Mr. J. S. Abra, General Manager and all other executives of the Board.

I have the honour to be, Sir,

Your Obedient Servant,

GEORGE KITCHING,  
Chief Commissioner.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$476,734,005.91. Sales in Ontario, of Canadian wine made direct to customers from licensed retail wine stores and wineries, amounted to \$11,320,201.31. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$302,104,447.11.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## Sales by Value

	Twelve Months Ending March 31, 1972	Twelve Months Ending March 31, 1971	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$326,360,944.65	\$286,907,099.38	\$39,453,845.27
Imported Spirits	66,377,416.16	60,099,102.33	6,278,313.83
Canadian Wines	34,409,105.71	28,447,201.65	5,961,904.06
Imported Wines	34,535,605.40	26,565,038.59	7,970,566.81
Canadian Beers	13,033,463.84	11,752,821.51	1,280,642.33
Imported Beers	2,017,470.15	1,601,364.82	416,105.33
<b>Total Sales by Board Stores</b>	<u>\$476,734,005.91</u>	<u>\$415,372,628.28</u>	<u>\$61,361,377.63</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>\$ 11,320,201.31</u>	<u>\$ 9,772,082.48</u>	<u>\$ 1,548,118.83</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>\$302,104,447.11</u>	<u>\$272,219,709.21</u>	<u>\$29,884,737.90</u>
(exclusive of container value)			

# Sales by Gallons

	Twelve Months Ending March 31, 1972	Twelve Months Ending March 31, 1971	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	10,097,970	8,869,134	1,228,836
Imported Spirits	1,723,257	1,584,059	139,198
Canadian Wines	4,122,765	3,503,265	619,500
Imported Wines	2,445,900	1,972,937	472,963
Canadian Beers	4,877,010	4,429,885	447,125
Imported Beers	327,882	264,967	62,915
<b>Total Sales by Board Stores</b>	<u>23,594,784</u>	<u>20,624,247</u>	<u>2,970,537</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,415,996</u>	<u>1,270,028</u>	<u>145,968</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>136,026,106</u>	<u>126,398,766</u>	<u>9,627,340</u>

Revenue payments totalling \$527,176,439.77 were received by the Treasurer of Ontario, the Government of Canada and by 225 Ontario Municipalities, as a result of levies on beverage alcohol sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of beverage alcohol.

A summary of the aforementioned revenue payments follows:

## Treasurer of Ontario

Remitted by the Board —

On account of profits, licence fees etc. \$219,744,108.46

Ontario Retail Sales Tax on sales  
through liquor stores

42,005,193.26

261,749,301.72

Remitted by others —

Ontario Retail Sales Tax on sales  
through retail wine stores and  
brewers' retail stores

22,830,329.75

\$284,579,631.47

## Government of Canada

Paid by the Board —

Customs and Excise Duties

123,175,330.24

Federal Sales tax on spirits, wines  
and imported beers

26,428,322.84

149,603,653.08

Paid by others —

Malt duties and taxes on domestic  
beers and wines

89,973,461.38

\$239,577,114.46

Ontario Municipalities

Paid by the Board —

Rebates of a proportion of fees  
received from licencees

\$1,858,040.73

Grants in lieu of realty and  
business taxes

1,161,653.11

\$ 3,019,693.84

\$527,176,439.77

Sales by Breweries  
to Other Provinces and Countries

	1968 Gallons	1969 Gallons	1970 Gallons	1971 Gallons	1972 Gallons
Sales to other Provinces	1,122,986	1,383,050	1,137,053	3,019,168	4,904,485
Export Sales	2,525,208	2,656,871	3,050,946	2,900,609	2,927,320
	<u>3,648,194</u>	<u>4,039,921</u>	<u>4,187,999</u>	<u>5,919,777</u>	<u>7,831,805</u>

All brands of beer produced by the Ontario Breweries and by the Quebec and Manitoba Breweries which were sold in this province were periodically analyzed as in previous years, thus ensuring that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its Laboratory, at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

Wineries

On November 1, 1971 the name of Parkdale Wines Limited was changed to Chateau Cartier Wines Limited.

Three retail wine stores were relocated during the year as follows:

Andres Wines Limited	From Dixie Shopping Plaza, Port Credit to 695 Yonge Street, Toronto.
Barnes Wines Limited	From 12 McAnnany Street, to Quinte Mall, 390 North Front Street, Belleville.
Chateau Cartier Wines Limited	From Mountain Plaza, Hamilton to Westmount Place Shopping Plaza, 50 Westmount Road North, Waterloo.

The number of wineries and retail wine stores in operation at March 31, 1972, were eight and fifty-one respectively.

# Sales by Wineries to Other Provinces and Countries

	1968 Gallons	1969 Gallons	1970 Gallons	1971 Gallons	1972 Gallons
Sales to other Provinces	3,373,191	2,957,728	3,536,132	3,970,456	4,129,763
Export Sales	16,652	21,955	34,414	34,409	38,401
	<u>3,389,843</u>	<u>2,979,683</u>	<u>3,570,546</u>	<u>4,004,865</u>	<u>4,168,164</u>

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

Years ended March 31:	1968 Tons	1969 Tons	1970 Tons	1971 Tons	1972 Tons
Grapes used in the manufacture of wine	35,057	34,453	36,417	40,278	52,750
Grapes used in the manufacture of concentrates	2,954	1,681	2,015	2,139	5,286
Cherries used in the manufacture of wine	65	154	292	12	106
	<u>38,076</u>	<u>36,288</u>	<u>38,724</u>	<u>42,429</u>	<u>58,142</u>

## Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1972, was as follows:

Board Members	3	Laboratory	8
Staffs of Departments		Legal	5
Chief Commissioner	3	Permit	6
General Manager	4	Personnel	14
Accounting	64	Product Administration	26
Audit, including Field Audit	36	Properties Management	21
Customs	4	Purchasing	6
Data Processing	26	Stores	2,332
Distribution Depot	34	Store Operations	28
Garage	4	Traffic	7
		Warehouses	188
			<u>2,819</u>

In addition there were 1,301 temporary or daily rate employees at March 31, 1972. Of this total, 1,274 were employed in the stores.

# Board Stores

There were 452 stores in operation during the year which includes the distribution depot in Toronto. Of this total, one duty free store was opened at the Toronto International Airport December 3, 1971, and eighteen new self-serve stores were opened at the following locations:

April	2, 1971	315 Third Line and Rebecca Street	Oakville
May	20, 1971	* Perth and Main Streets	Portland
July	22, 1971	Main Street	Wilberforce
July	23, 1971	Post Office Box 69	Honey Harbour
August	13, 1971	* Morton Street	Cobden
September	17, 1971	7205 Goreway Drive	Mississauga
October	1, 1971	2016 - 46 Ogilvie Drive	Ottawa
October	1, 1971	153 Main Street	Wellington
October	18, 1971	1493 Yonge Street	Toronto
November	1, 1971	Post Office Box 130	Richard's Landing
November	22, 1971	* King Street and Central Avenue	Lincoln
November	24, 1971	6 Yorkdale Shopping Centre	Toronto
December	10, 1971	1249 London Road	Sarnia Township
December	14, 1971	860 Aberdeen Road	Hawkesbury
December	21, 1971	2709 Yonge Street	Toronto
January	28, 1972	* St. Albert Street	Casselman
February	8, 1972	502 Lawrence Avenue West	Toronto
March	16, 1972	Main Street	Carp

\* Board-owned Properties

Twelve stores were relocated and converted to self-serve as follows:

Store	From	To
26	69 Carling Avenue	126 Dundas Street East, London
29	Berford Street	* 415 William Street, Warton
37	685 Bank Street	* 640 Bank Street, Ottawa
95	109 Main Street	152 Main Street, Galt
96	367 Main Street	* 76 St. George Street, Deseronto
83	382 Main Street	* 222 Main Street, Hawkesbury
112	1 Byng Avenue	Brunetville Road, Kapuskasing
117	46 Birch Street	* 25 Lorne Street, Chapleau
183	33 George Street	* 27 George Street, Brampton
198	4517 Kingston Road	* 4543 Kingston Road, West Hill, Toronto
269	3451 Lawrence Avenue East	3601 Lawrence Avenue East, Scarborough
308	Main Street	* St. Isidore Street, St. Isidore de Prescott

\* Board-owned Properties

In addition, three stores were converted from conventional to self-serve at their present locations. These conversions are in keeping with the Board's policy to establish, wherever possible, new outlets as self-serve. There was a total of 46 self-serve stores in operation at March 31, 1972.

# Agency Stores

Six new agency stores were established during the year at the following locations:

April	19, 1971	Gowganda	August	3, 1971	Sapowe
June	24, 1971	Orient Bay	January	21, 1972	Goulais River
June	29, 1971	Searchmont	March	17, 1972	Hurkett

In addition six agencies were closed and reopened under new ownership. There were, therefore, forty-six agencies in operation at March 31, 1972.

# Breweries & Brewers' Retail Stores

There were ten breweries located in Ontario, five in Quebec and three in Manitoba that were licensed to sell their products in Ontario.

Eight brewers' retail stores were opened during the year at the following addresses:

June	14, 1971	Main and Perth Streets	Portland
July	23, 1971	215 George Street	Mitchell
August	23, 1971	486 Great Northern Road	Sault Ste. Marie
September	20, 1971	2016 - 44 Ogilvie Road	Ottawa
November	22, 1971	65 Ontario Street	Lincoln
December	6, 1971	2061 Weston Road	Weston
December	13, 1971	1889 Paris Street	Sudbury
December	13, 1971	2731 Yonge Street	Toronto

Two stores were closed during the year.

October 30, 1971	Portland
January 29, 1972	Casselman

The brewers' retail store at 1246 Ottawa Street, Windsor was relocated to 1576 Parent Avenue, Windsor.

There were 380 stores in operation at March 31, 1972.

# Permits

A classification of permits and licences issued during the year follows:

## PERMITS 1971-1972

Physicians	30
Druggists	85
Dentists and Veterinarians	48
Mechanical and Scientific	427 (123 Free)
Manufacturers	144
Kitchen	59
Hospitals	300 (Free)
First Aid	18 (Free)

## LICENCES 1971-1972

Breweries	15
Wineries	8
Sacramental Wine Vendorships	15
Non-potable alcohol, Storage Warehouses	1

# Financial Statements

Current Assets totalling \$52,130,252.05 consisted of the following:

Cash on hand and in banks	\$ 7,961,849.38
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, etc.	5,957,359.01
Inventories of liquors and supplies	38,211,043.66
	<u>\$52,130,252.05</u>

Prepaid charges for insurance, taxes, etc. amounted to \$244,409.42.  
Prepaid merchandise for future delivery amounted to \$178,904.42.

Mortgage Receivable \$23,680.37, represents the principal amount outstanding, of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 163 store sites on which completed stores are located; 26 store sites, against 20 of which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,700,636.56 have been charged against income. The accumulations of Reserve for Depreciation, have been increased by \$1,654,356.38, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$25,951,772.25 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences etc.

The Reserve for Insurance of \$1,000,000.00 and the Reserve for Contingencies of \$500,000.00 remained the same as at the end of the previous year.

Outstanding Commitments amounted to \$23,932,000.00. These items represent the value of undelivered orders totalling \$13,919,000.00, the amount of \$9,744,000.00 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31st, 1972, and the liabilities for property under option and uncompleted building contracts of \$269,000.00. These outstanding commitments have not been reflected in the trading profits of the Board.

The Statement of Income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$476,734,005.91.

The same statement shows a gross trading profit of \$210,621,748.45 and other revenue of \$53,177,723.97 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$44,004,022.11 consisting of administrative and operating expenses (including \$1,856,189.67 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$219,795,450.31. After payment to the Treasurer of Ontario of \$219,744,108.46 on account of profits, a balance of \$25,125,857.01 remained in Retained Income.

For comparative purposes, the percentages that the cost of stock sold, other revenue and expenses bear to sales and income are given for the twelve month period reported upon herein and the two preceding fiscal years.

The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

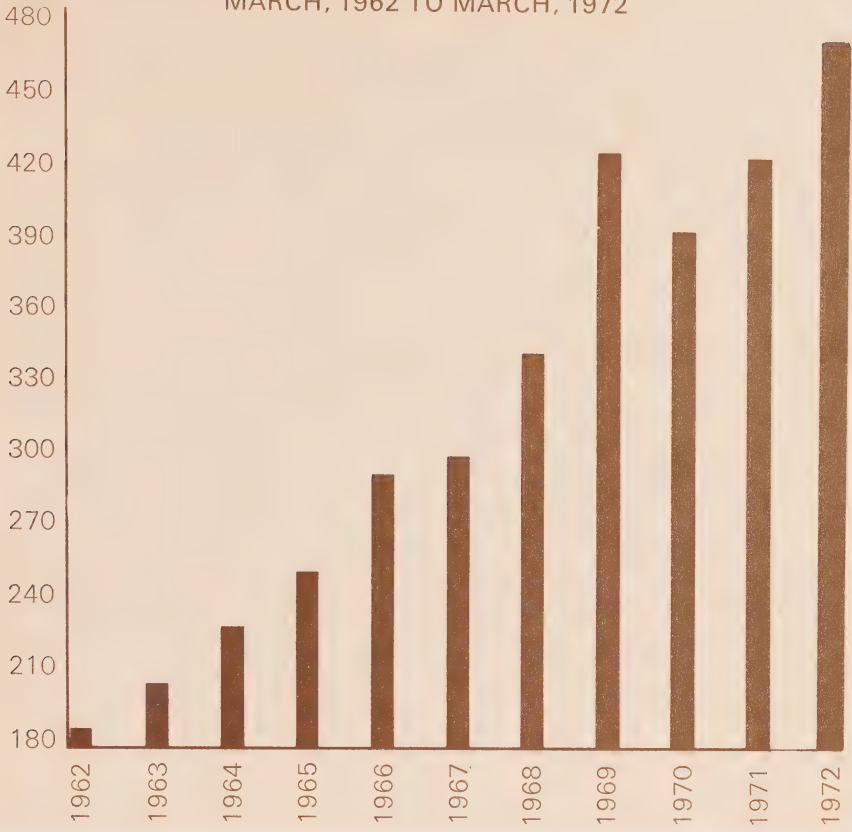
The Statement of Administration and Operation includes a total of \$398,031.03 for sundry expenses that are not shown separately. Of this total \$200,204.64 represents expenses paid from the stores' and warehouses' petty cash.

# LIQUOR CONTROL BOARD OF ONTARIO

## STORE SALES

MARCH, 1962 TO MARCH, 1972

Millions

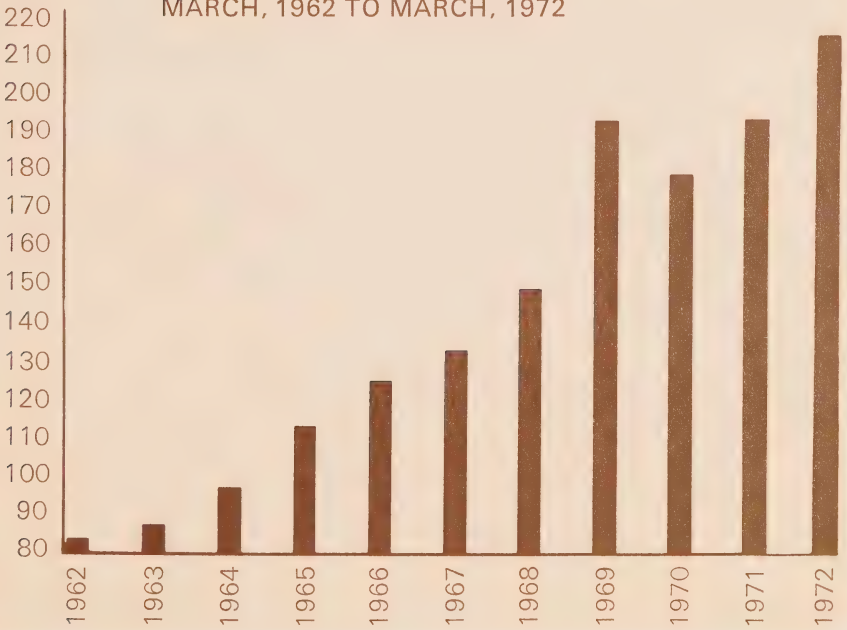


## NET PROFIT PAID TO

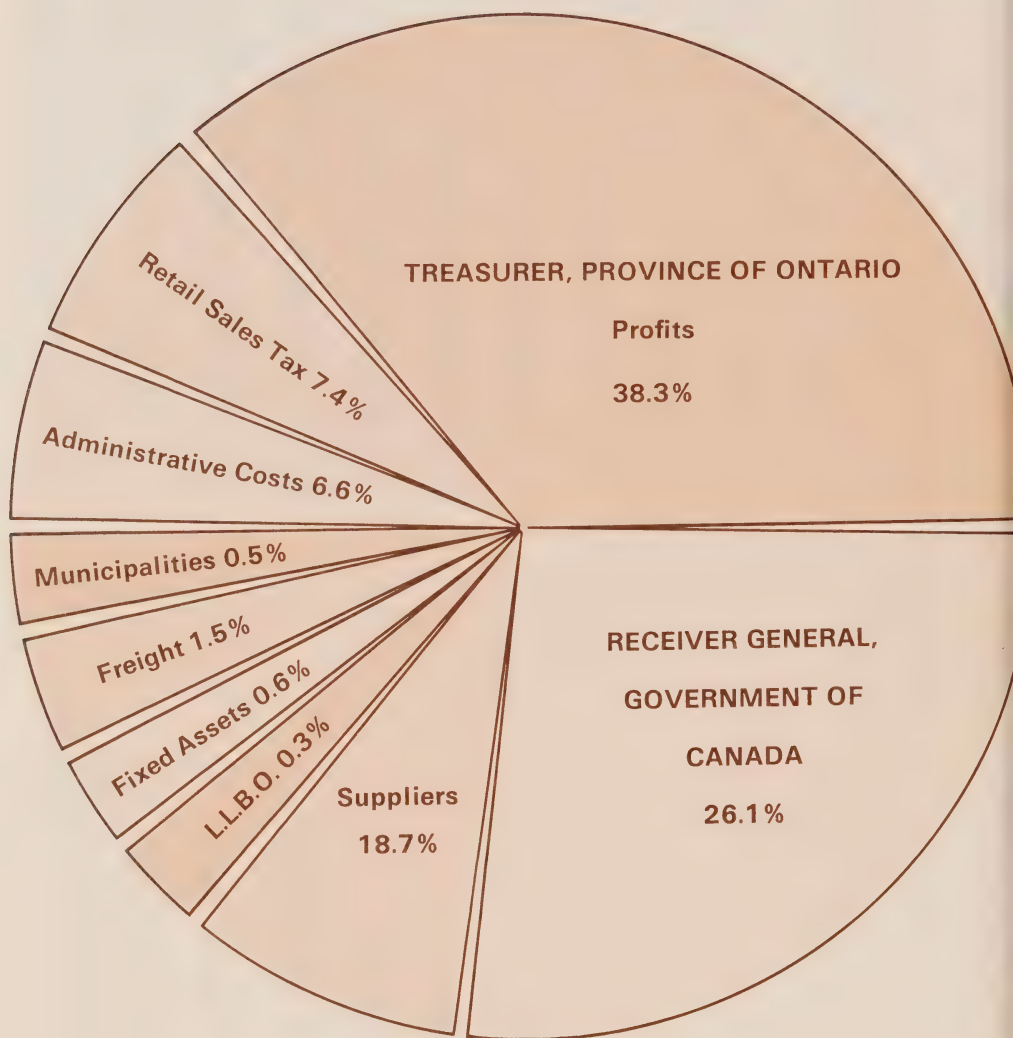
THE TREASURER OF ONTARIO

MARCH, 1962 TO MARCH, 1972

Millions

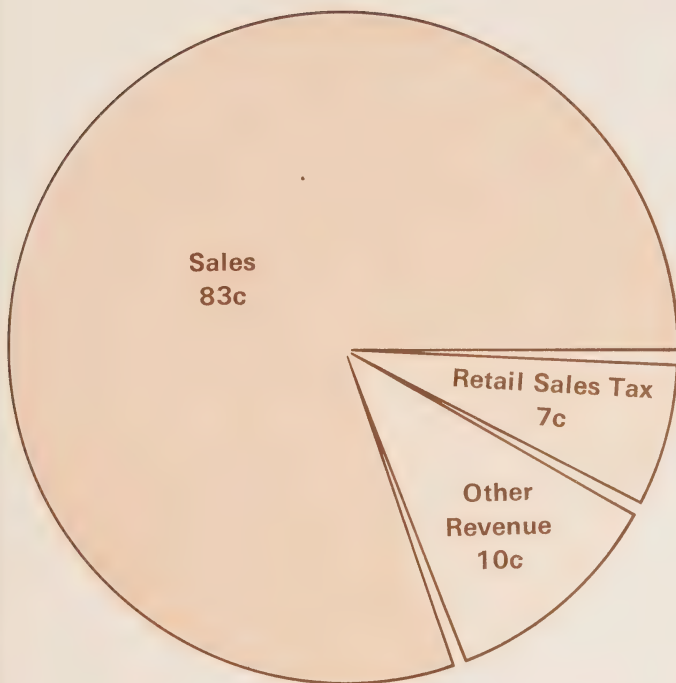


LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1971 - 1972

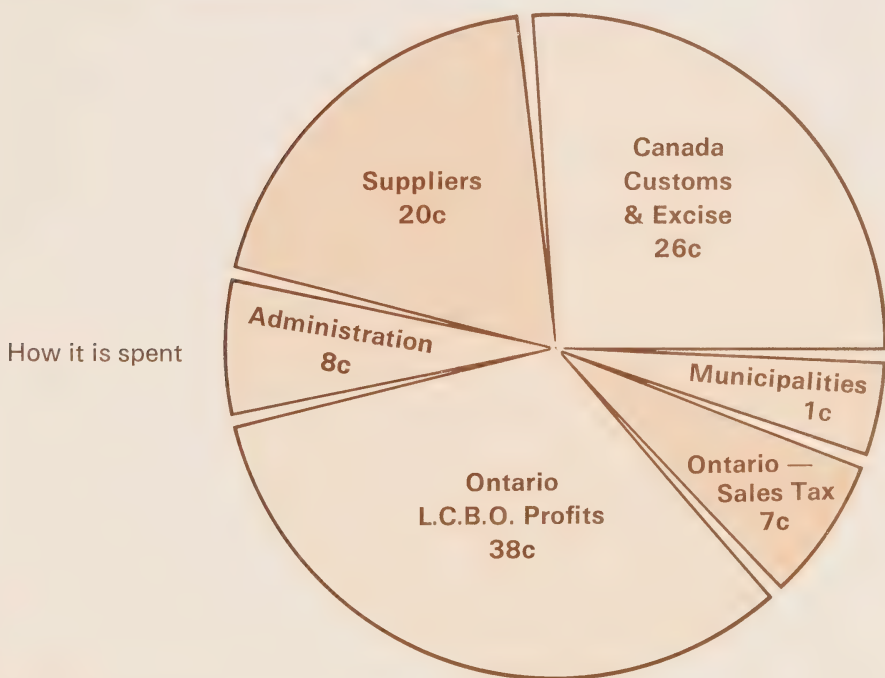


# THE L.C.B.O. DOLLAR

1971 - 1972



Where it comes from



How it is spent

# Balance Sheet

March 31, 1972

(with comparative figures for 1971)

ASSETS	1972	1971
	\$	\$
<b>Current</b>		
Cash on hand, in transit and in banks	7,961,849.38	11,157,782.38
Accounts receivable	5,957,359.01	4,907,142.38
Inventories		
Liquors in warehouses and stores, at cost	37,959,231.98	35,513,362.38
Stationery, supplies, empties, etc.	251,811.68	245,809.38
	<u>38,211,043.66</u>	<u>35,759,171.76</u>
Total Current	52,130,252.05	51,824,097.38
<b>Prepaid Charges</b>		
Insurance and other charges	244,409.42	40,400.38
Merchandise for future delivery	178,904.42	—
	<u>423,313.84</u>	<u>40,400.38</u>
Mortgage Receivable	23,680.37	25,730.38
<b>Fixed</b>		
Land, at cost	7,156,129.48	6,874,190.38
Buildings, at cost	30,418,768.93	29,000,030.38
Furniture and equipment, at cost	6,505,717.96	6,057,380.38
Alterations to owned and rented premises, at cost	7,126,619.00	5,920,590.38
	<u>51,207,235.37</u>	<u>47,852,211.76</u>
Less amounts written off	51,206,852.37	47,851,850.38
	<u>383.00</u>	<u>35.38</u>
	<u><u>52,577,629.26</u></u>	<u><u>51,890,580.38</u></u>

Approved

J. S. ABRA  
General Manager

F. A. MACINNIS  
Assistant General Manager

LIABILITIES	1972	1971
	\$	\$
Current		
Accounts payable, accrued charges, etc.	25,707,442.25	25,046,181.73
Deferred revenue	244,330.00	269,890.00
	<u>25,951,772.25</u>	<u>25,316,071.73</u>
Reserve for insurance	1,000,000.00	1,000,000.00
Reserve for Contingencies	500,000.00	500,000.00
Retained Income	25,125,857.01	25,074,515.16
Outstanding Commitments		
Duty on stocks in bond	\$ 9,744,000	
Liquors ordered but not delivered (including duty, freight, etc.)	13,919,000	
Property under option and uncompleted building contracts	269,000	
	<u>\$23,932,000</u>	
	<u>52,577,629.26</u>	<u>51,890,586.89</u>

### AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1972, and the statements of income, retained income and source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, July 31, 1972.

GEORGE H. SPENCE, F.C.A.  
Provincial Auditor

# Statement of Income

For the year ended March 31, 1972

## Sales

Sales of spirits, wines and beers

Cost of Sales

Inventories at beginning of year

Purchases

\$ 35,513,362

268,558,127

\$304,071,489

Less: Inventories at end of year

37,959,231

## Gross Profit on Sales

## Other Revenue

Brewers' licence fees

\$ 22,500

Brewery store and brewers' retail store licence fees

233,600

Gallage fees on beer production — Ontario breweries

37,908,624

Gallage fees on beer sales — Extra-Provincial breweries

1,648,297

Licences and fees — The Liquor Licence Act

(Net after deducting Municipalities' share)

8,289,166

Ontario wine licence fees

1,189,261

Miscellaneous permits

1,340

Special occasion permits

1,492,350

Transfer fees

1,650,561

Interest on bank balances

128,651

Remuneration for collecting Ontario Retail Sales Tax

424,494

Miscellaneous income

188,876

## Income

Expenses — (the Liquor Control Board and the  
Liquor Licence Board)

Administrative and operating expenses —

\$ 40,476,800

Furniture and equipment and alterations to owned and  
rented premises written off —

1,826,580

Additions to land and buildings during the year written off —

1,700,630

## Net Income

	Percentages to Sales			Percentages to Income		
	<u>1971-72</u>	<u>1970-71</u>	<u>1969-70</u>	<u>1971-72</u>	<u>1970-71</u>	<u>1969-70</u>
	%	%	%	%	%	%
76,734,005.91	100.00	100.00	100.00			
66,112,257.46	<u>55.82</u>	<u>55.8</u>	<u>55.76</u>			
10,621,748.45	44.18	44.2	44.24	79.84	79.81	79.94
53,177,723.97	<u>11.16</u>	<u>11.18</u>	<u>11.10</u>	<u>20.16</u>	<u>20.19</u>	<u>20.06</u>
63,799,472.42	55.34	55.38	55.34	100.00	100.00	100.00
44,004,022.11	<u>9.23</u>	<u>8.87</u>	<u>8.65</u>	<u>16.68</u>	<u>16.01</u>	<u>15.64</u>
19,795,450.31	<u>46.11</u>	<u>46.51</u>	<u>46.69</u>	<u>83.32</u>	<u>83.99</u>	<u>84.36</u>

# Statement of Retained Income

For the year ended March 31, 1972

Balance at beginning of year	\$ 25,074,515.16
Add:	
Net income for the year ended March 31, 1972	<u>219,795,450.31</u>
	\$244,869,965.47
Deduct:	
Payments to Treasurer of Ontario on account of profits	<u>219,744,108.46</u>
Balance at end of year	<u><u>\$ 25,125,857.01</u></u>

# Statement of Source and Application of Funds

For the year ended March 31, 1972

## Source of Funds

Net Income		\$219,795,450.31	
Add:			
Items not requiring an outlay of funds —			
Provision for write off:			
Land and buildings	\$1,700,636.56		
Furniture and equipment and alterations to premises	1,826,580.05	3,527,216.61	\$223,322,666.92
Decrease in Mortgage Receivable			2,053.38
Decrease in Working Capital			329,545.76
			<u>\$223,654,266.06</u>

## Application of Funds

Investment in:			
Land and buildings	\$ 1,700,664.56		
Furniture and equipment and alterations to premises	1,826,580.05	\$ 3,527,244.61	
Increase in Prepaid Insurance and Other Charges			204,008.57
Payments for future merchandise deliveries			178,904.42
Payments to Treasurer of Ontario on account of profits			219,744,108.46
			<u>\$223,654,266.06</u>

# Administrative and Operating Expenses

(including Liquor Licence Board of Ontario expenses)

For the year ended March 31, 1972

		Percentage to Sales	
		1971-72	1970-71
Salaries	\$29,769,908.75	6.25	6.04
Superannuation and Retirement Funds	1,173,492.13	.25	.25
Canada Pension Plan	310,770.28	.07	.07
Employees' insurance and health plans	441,436.58	.09	.13
Workmen's Compensation and Unemployment Insurance	89,055.86	.02	.01
Rent	2,387,774.42	.50	.50
Light, heat and power	683,489.40	.14	.15
Premises protection	65,009.94	.01	.01
Repairs and maintenance	1,069,773.33	.22	.23
Insurance	102,521.62	.02	.02
Grants in lieu of business taxes	511,885.68	.11	.13
Grants in lieu of property taxes	649,767.43	.14	.15
Postage	102,501.23	.02	.02
Stationery	564,750.61	.12	.12
Telephone and telegraph	174,686.09	.04	.04
Packing material	529,300.45	.11	.12
Freight	14,044.40	.00	.00
Discounts	52,307.42	.01	.01
N.A.T.O. discounts	85,509.66	.02	.02
Agency commissions	252,979.88	.05	.05
Agency expenses	12,110.42	.00	.00
Breakages	97,651.14	.02	.02
Sundries	406,018.81	.09	.10
Travelling	452,230.25	.09	.11
Car and truck expenses	5,598.67	.00	.00
Computer equipment rental and supplies	302,756.35	.06	.06
Toronto Warehouse simulation studies	—	—	.02
Ontario Provincial Police			
Reimbursement of certain administrative and enforcement expenses	135,680.51	.03	.04
Store stock losses	33,794.19	.01	—
	<u>\$40,476,805.50</u>	<u>8.49</u>	<u>8.42</u>

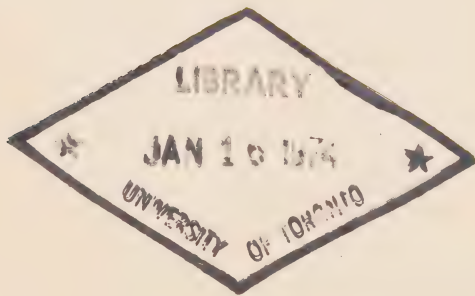
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# 47<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1972  
to MARCH 31st, 1973





# 47<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1972  
to MARCH 31st, 1973





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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario, M5E 1A4,  
October 2, 1973.

The Honourable W. Ross MacDonald, P.C., C.D., Q.C., LL.D.,  
The Lieutenant-Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

I have the honour to submit the forty-seventh report of the Liquor Control Board of Ontario. This report covers the activities of the Board for the twelve-month fiscal period which ended March 31, 1973, as required under Section 13 of the Liquor Control Act.

During the past twelve months the Board has at all times administered its affairs and the control aspects of its responsibilities in an efficient and proper manner. At the same time the search for better products of distilleries, breweries and wineries from all over the world continued to be one of the priorities of the Board.

On April 17, 1972, the selling prices of all products listed by the Board were increased. This increase satisfied a requirement of the 1972-73 Ontario budget. Normal growth together with this general price change resulted in increases in sales and net profit of \$58,795,367 and \$33,923,385 respectively. As in previous years the cost of administration remained at 8% of sales.

To accommodate the requests by municipal officials and the purchasing public, the Board continued its store expansion program. A total of thirty-eight new stores were opened during the year, which included a second duty free store at Terminal Two at the Toronto International Airport and thirty-seven self-serve stores. In addition, twenty stores were modernized and converted to self-serve. Of this total, nine stores were relocated and eleven were converted at their present locations.

During the fiscal period covered by this report, the administrative divisions of the Board were reorganized and two new sections were established. A Records

Management Section will provide better control over the large volume of Board records and the new Planning Section will work on the many special projects in which the Board is involved.

The continuing need for current statistical information and current processing methods required a change in our electronic data processing equipment during the year. This change will assist in the control of administrative costs and will lead to increased efficiencies.

The program of improved customer service implemented last year has been well accepted by the public. The results of service questionnaires were analysed and we were gratified to see that the present method of operation generally meets with the approval of the public. Better communication has been effected with the publication of an information booklet. Better service has been provided as the result of the change in hours in some stores. Many stores observe extended hours or have adopted a double shift operation. Closing days have been changed to conform with the hours of the local municipalities.

A rare wine and spirit cellar will be opened in the near future. This will provide access to special products that are in limited supply and not available in stores.

Orders of interdiction have continued to be of assistance in the control of liquor abuses. This control is more effective in the rural areas of the province.

The cooperation and assistance extended to me by Mr. R. J. Harris, Deputy Chief Commissioner is greatly appreciated and I also thank the Reverend A. Walter Downer, M.P.P. for his efforts in a specialized area. A special tribute is paid to Mr. J. S. Abra, General Manager, all executives and employees of the Board for their fine efforts during the year.

I have the honour to be, Sir,

Your Obedient Servant,

GEORGE KITCHING,  
Chief Commissioner.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$535,529,373. Sales in Ontario, of Canadian wine made direct to customers from licensed retail wine stores and wineries, amounted to \$11,702,322. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$336,913,624.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## Sales by Value

	Twelve Months Ending March 31, 1973	Twelve Months Ending March 31, 1972	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$357,349,829	\$326,360,945	\$30,988,885
Imported Spirits	74,111,179	66,377,416	7,733,762
Canadian Wines	41,199,396	34,409,106	6,790,291
Imported Wines	44,772,593	34,535,605	10,236,987
Canadian Beers	15,573,820	13,033,464	2,540,356
Imported Beers	2,522,556	2,017,470	505,086
<b>Total Sales by Board Stores</b>	<b>\$535,529,373</b>	<b>\$476,734,006</b>	<b>\$58,795,367</b>
<b>Sales by Ontario Wineries and Winery Stores</b>	<b>\$ 11,702,322</b>	<b>\$ 11,320,201</b>	<b>\$ 382,121</b>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>	<b>\$336,913,624</b>	<b>\$302,104,447</b>	<b>\$34,809,177</b>

# Sales by Gallons

	Twelve Months Ending March 31, 1973	Twelve Months Ending March 31, 1972	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	10,651,366	10,097,970	553,396
Imported Spirits	1,876,626	1,723,257	153,369
Canadian Wines	4,418,149	4,122,765	295,384
Imported Wines	2,944,525	2,445,900	498,625
Canadian Beers	5,420,586	4,877,010	543,576
Imported Beers	408,349	327,882	80,467
<b>Total Sales by Board Stores</b>	<u>25,719,601</u>	<u>23,594,784</u>	<u>2,124,817</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,325,219</u>	<u>1,415,996</u>	<u>(decrease) 90,777</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>139,953,092</u>	<u>136,026,106</u>	<u>3,926,986</u>

Revenue payments totalling \$579,768,604 were received by the Treasurer of Ontario, the Government of Canada and by 225 Ontario Municipalities, as a result of levies on beverage alcohol sold in Ontario during the year. This amount is exclusive of Corporation, Realty and Business Taxes paid to these Governments and Municipalities by the distilleries, wineries, breweries and licence holders. It is also exclusive of Ontario Retail Sales Tax collected by licence holders and agency stores on their sales of beverage alcohol.

A summary of the aforementioned revenue payments follows:

## Treasurer of Ontario

Remitted by the Board —	
On account of profits, licence fees etc.	\$253,700,000
Ontario Retail Sales Tax on sales through liquor stores	<u>47,471,167</u>
	<u>301,171,167</u>
Remitted by others —	
Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	<u>26,413,070</u>
	\$327,584,237

## Government of Canada

Paid by the Board —	
Customs and Excise Duties	129,642,533
Federal Sales Tax on spirits, wines and imported beers	<u>29,181,360</u>
	<u>158,823,893</u>
Paid by others —	
Malt duties and taxes on domestic beers and wines	<u>90,083,886</u>
	\$248,907,779

## Ontario Municipalities

Paid by the Board —

Rebate of a proportion of fees received  
from licencees

1,898,268

Grants in lieu of realty and business taxes

1,378,320

\$ 3,276,588

\$579,768,604

## Sales by Breweries to Other Provinces and Countries

	1969 Gallons	1970 Gallons	1971 Gallons	1972 Gallons	1973 Gallons
Sales to other Provinces	1,383,050	1,137,053	3,019,168	4,904,485	1,806,931
Export Sales	2,656,871	3,050,946	2,900,609	2,927,320	2,872,772
	<u>4,039,921</u>	<u>4,187,999</u>	<u>5,919,777</u>	<u>7,831,805</u>	<u>4,679,703</u>

The decrease in sales to other provinces in 1973 is the direct result of the transfer of the total production of canned beer by one brewery from Ontario to Quebec.

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## Wineries

The number of wineries and retail wine stores remained at eight and fifty-one respectively at March 31, 1973.

There were no location changes during the year.

## Sales by Wineries to Other Provinces and Countries

	1969 Gallons	1970 Gallons	1971 Gallons	1972 Gallons	1973 Gallons
Sales to other Provinces	2,957,728	3,536,132	3,970,456	4,129,763	4,315,648
Export Sales	21,955	34,414	34,409	38,401	59,266
	<u>2,979,683</u>	<u>3,570,546</u>	<u>4,004,865</u>	<u>4,168,164</u>	<u>4,374,914</u>

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1969 Tons	1970 Tons	1971 Tons	1972 Tons	1973 Tons
Grapes used in the manufacture of wine	34,453	36,417	40,278	52,750	39,739
Grapes used in the manufacture of concentrates	1,681	2,015	2,139	5,286	434
Cherries used in the manufacture of wine	154	292	12	106	78
	<u>36,288</u>	<u>38,724</u>	<u>42,429</u>	<u>58,142</u>	<u>40,251</u>

# Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1973, was as follows:

Board Members	3	Legal	6
Staffs of Departments		Permit	6
Chief Commissioner	4	Personnel	13
General Manager	7	Planning and Development	3
Accounting	65	Product Administration	24
Audit	37	Properties Management	22
Customs	5	Purchasing	4
Data Processing	32	Records Management	5
Distribution Depot	36	Stores	2,496
Garage	5	Store Operations	29
Laboratory	9	Traffic	9
		Warehouses	210
			<u>3,030</u>

In addition there were 1,344 temporary or daily rate employees at March 31, 1973. Of this total 1,322, were employed in the stores.

# Board Stores

There were 490 stores in operation during the year which included the distribution depot in Toronto. A total of thirty-eight new stores were opened. Of this total a second duty free store was opened at Terminal Two at the Toronto International Airport on June 19, 1972. Thirty-seven self-serve stores were opened at the following locations:

April	21, 1972	582 Goderich Street	Port Elgin
May	19, 1972	2356 Kennedy Road	Agincourt
May	19, 1972	*	Lucknow
May	29, 1972	T R. R. #1, Dorion	Hurkett
June	15, 1972	T	Rosspoint
June	16, 1972	115 Lakeshore Road	St. Catharines
June	21, 1972	T Highway #17	Goulais River
June	28, 1972	T R. R. #1, Whitefish	Lake Panache
June	30, 1972	T Highways #17 and #535	Hagar
July	7, 1972	T George Street and Clarence Street	Lanark
July	7, 1972	T P. O. Box 176	Port Severn
July	14, 1972	2225 Erin Mills Parkway	Mississauga

July	20, 1972	T	George Street and Wheatly Street	Sydenham
July	21, 1972	T	Highway #500	Denbigh
July	27, 1972		207 Manitoba Street	Schreiber
August	1, 1972	*	P. O. Box 399	Dundalk
August	2, 1972		P. O. Box 248	Mattice
August	5, 1972		Nelson Street and Highways #46 and #503	Kirkfield
August	5, 1972		P. O. Box 10	Hudson
August	14, 1972		25 Peak-O-Dawn Road	Mississauga
September	1, 1972	*	St. Philippe Street	Alfred
September	22, 1972		Muskoka Street	Washago
October	5, 1972		Union Station	Toronto
October	14, 1972		40 High Street	Elora
November	4, 1972	T	James Street	Iron Bridge
November	13, 1972		3427 Weston Road	Weston
November	24, 1972	*	P. O. Box 98	Smithville
November	25, 1972		1251 Simcoe Street North	Oshawa
November	27, 1972		2000 Lauzon Road and Tecumseh Road	Windsor
December	1, 1972	T	St. Joseph Street	St. Charles
December	8, 1972		2007 Mount Forest Drive	Burlington
January	13, 1973		Westcliffe Mall, 925 Ontario Street	Stratford
January	22, 1973		911 Jane Street	Toronto
February	13, 1973		1009 Coxwell Avenue	Toronto
February	24, 1973	T	8552 Willoughby Drive	Chippawa
March	1, 1973	*T	P. O. Box 310	Newcastle
March	12, 1973		119-129 Second Line West	Sault Ste. Marie
			* Board-owned Properties	T Trailer

On September 2, 1972 the store in Hagar was closed.

Nine stores were relocated and converted to self-serve as follows:

Store	From	To
2	116 Wellington Street West	York Centre, 145 King Street West, Toronto
21	29 Charles Street	Mohawk Road and Upper Paradise Road, Hamilton
25	18 Foundry Street	57 Cootes Drive, Dundas
59	63 Collier Street	*55 Mary Street, Barrie
119	Main Street	Elgin Street and Wellington Street, Merrickville
156	10 Mill Street	*Delrex Market Centre, 63 Mountainview Road South, Georgetown
182	223 Lakeshore Road East	*200 Lakeshore Road East, Port Credit
292	Highway #5	Ear Falls Plaza, Ear Falls
334	Batchawana P.O.	Highway #17, Batchawana Bay
*Board-owned Properties		

The trailer stores in Sydenham and Lincoln were relocated in permanent buildings and were opened as self-serve stores.

In addition, eleven stores were converted from conventional to self-serve at their present locations. There was a total of 102 self-serve stores in operation at March 31, 1973.

## Agency Stores

Eight new agency stores were established during the year at the following locations:

April	11, 1972	Graham	June	29, 1972	Nipigon
May	11, 1972	English River	June	30, 1972	Calstock
May	29, 1972	Thessalon	July	21, 1972	Foleyet
June	3, 1972	Lake Matinenda	October	19, 1972	Ignace

In addition, four agencies changed ownership during the year. There were fifty-four agencies in operation at March 31, 1973.

# Breweries and Brewers' Retail Stores

The total number of breweries was unchanged. There were ten breweries located in Ontario, five in Quebec and three in Manitoba that were licenced to sell their products in Ontario.

Fourteen brewers' retail stores were opened during the year at the following locations:

May	1, 1972	8150 Tecumseh Boulevard East	Windsor
May	1, 1972	499 Appleby Line	Burlington
June	19, 1972	2360 Kennedy Road	Toronto
June	27, 1972	3078 Don Mills Road	Toronto
July	10, 1972	Cumberland Street and Wolsley Street	Thunder Bay
August	11, 1972	Highway #27 and Hugel Avenue	Midland
August	21, 1972	112 Burns Street	New Hamburg
October	2, 1972	Jane Park Plaza, 839 Jane Street	Toronto
December	5, 1972	Service Road	Spanish
December	5, 1972	285 Taunton Road East	Oshawa
December	15, 1972	572-640 Mohawk Road West	Hamilton
February	5, 1973	15 Municipal Street	Guelph
February	26, 1973	244 C. H. Meier Boulevard	Stratford
March	12, 1973	Highway #2 and King Street East	Newcastle

On November 25, 1972 the Brewers' Retail Store at 1575 Alta Vista Drive, Ottawa was closed.

Six stores were relocated during the year as follows:

From	To	
25 First Avenue	1014 Talbot Street	St. Thomas
Edward Street and Churchill Road	990 Edward Street North	Prescott
12 Foundry Street	50 Cootes Drive	Dundas
326 Silverthorpe Avenue	1515 Keele Street	Toronto
General Delivery, Beamsville	49 Ontario Street	Lincoln
23 Market Street West	116 St. Andrew Street	Port Dover

There were 393 stores in operation at March 31, 1973.

## Permits

A classification of permits and licences issued during the year follows:

### PERMITS 1972-1973

Physicians	71
Druggists	55
Dentists and Veterinarians	71
Mechanical and Scientific	320 (140 Free)
Manufacturers	147
Kitchen	31
Hospitals	309 (Free)
First Aid	19 (Free)

### LICENCES 1972-1973

Breweries	15
Wineries	8
Sacramental Wine Vendorships	15
Non-potable alcohol, Storage Warehouses	1

# Financial Statements

Current Assets totalling \$59,927,984 consisted of the following:

Cash on hand and in banks	\$ 7,066,715
Accounts Receivable; Licence holder fees, beer levies, duty recoverable items, freight claims, hospital charge sales, etc.	6,582,469
Inventories of liquors and supplies	46,278,800
	<u>\$59,927,984</u>

Prepaid charges for insurance, taxes, etc. amounted to \$314,688. Prepaid merchandise for future delivery amounted to \$411,496.

Mortgage Receivable \$21,487, represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 173 store sites on which completed stores are located; 30 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,885,624 have been charged against income. The accumulations of Reserve for Depreciation have been increased by \$2,685,579, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$34,031,382 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences etc.

The Reserve for Insurance of \$1,000,000 and the Reserve for Contingencies of \$500,000 remained the same as at the end of the previous year.

Outstanding Commitments amounted to \$20,816,000. These items represent the value of undelivered orders totalling \$6,747,000, the amount of \$13,846,000 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1973, and the liabilities for property under option and uncompleted contracts of \$223,000. These outstanding commitments have not been reflected in the trading profits of the Board.

The Statement of Income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$535,529,373.

The same statement shows a gross trading profit of \$240,746,254 and other revenue of \$65,512,326 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$52,539,745 consisting of administrative and operating expenses (including \$2,171,313 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$253,718,835. After payment to the Treasurer of Ontario of \$253,700,000 on account of profits, a balance of \$25,144,692 remained in Retained Income.

For comparative purposes the figures and percentages to sales are given for the twelve month period reported upon herein and the preceding fiscal year.

The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

The Statement of Administration and Operation includes a total of \$260,763 for miscellaneous other expenses and a total of \$233,562 for store services. Of these amounts, a total of \$145,635 represents expenses paid from the stores' and warehouses' petty cash.

Millions

530

500

470

440

410

380

350

320

290

260

230

LIQUOR CONTROL BOARD OF ONTARIO  
STORE SALES  
MARCH, 1964 TO MARCH, 1973

1964

1965

1966

1967

1968

1969

1970

1971

1972

1973

Millions

250

240

230

220

210

200

190

180

170

160

150

140

130

120

110

100

90

NET PROFIT PAID TO  
THE TREASURER OF ONTARIO  
MARCH, 1964 TO MARCH, 1973

1964

1965

1966

1967

1968

1969

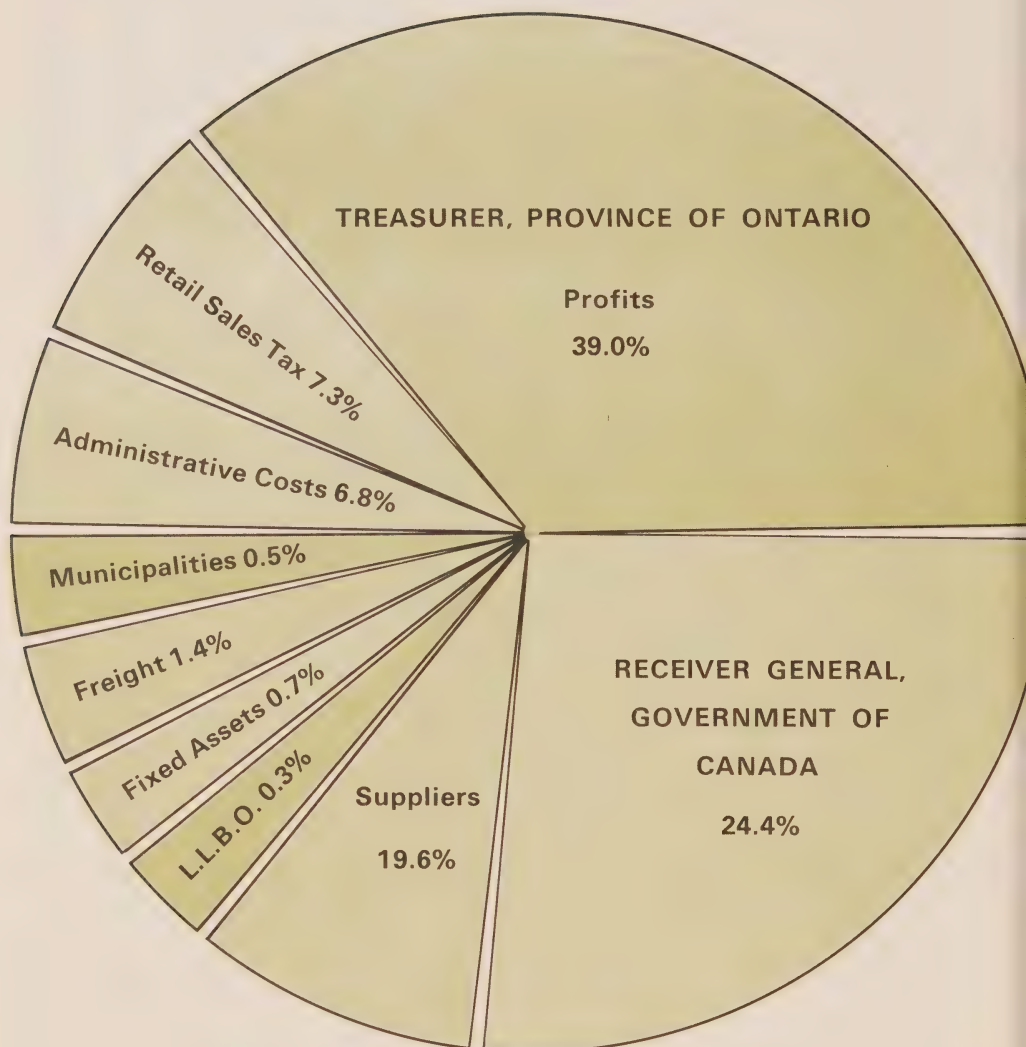
1970

1971

1972

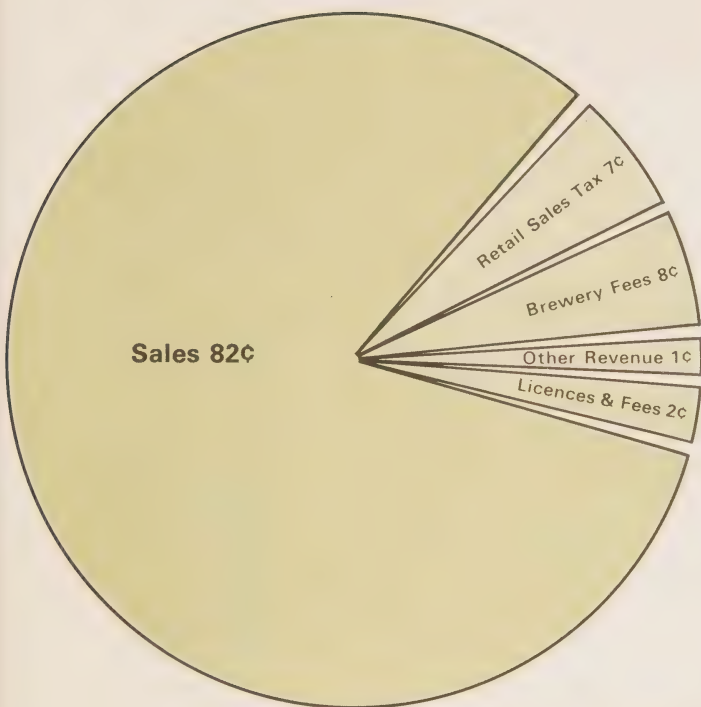
1973

LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1972 - 1973



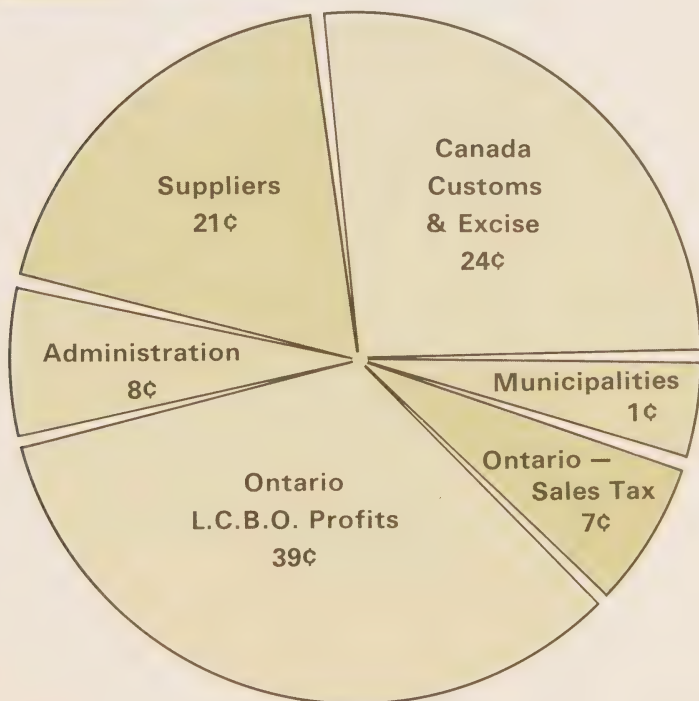
# THE L.C.B.O. DOLLAR

1972 - 1973



Where it comes from

How it is spent



# Balance Sheet

March 31, 1973

(with comparative figures for 1972)

ASSETS	1973	1972
	\$	\$
<b>Current</b>		
Cash on hand, in transit and in banks	7,066,715	7,961,8
Accounts receivable	6,582,469	5,957,3
Inventories		
Liquors in warehouses and stores, at cost	45,994,953	37,959,2
Stationery, supplies, empties, etc.	283,847	251,8
	59,927,984	52,130,2
<b>Prepaid Charges</b>		
Insurance and other charges	314,688	244,4
Merchandise for future delivery	411,496	178,8
	726,184	423,3
<b>Mortgage Receivable</b>	21,487	23,6
<b>Fixed</b>		
Land, at cost	7,625,693	7,156,3
Buildings, at cost	31,834,865	30,418,3
Furniture and equipment, at cost	7,766,038	6,505,7
Alterations to owned and rented premises, at cost	8,551,878	7,126,6
	55,778,474	51,207,2
Less: Amounts written off	55,778,055	51,206,8
	419	3
	60,676,074	52,577,6

Approved:

J. S. ABRA  
General Manager

F. A. MACINNIS  
Assistant General Manager

LIABILITIES		1973	1972
		\$	\$
Current			
Accounts payable, accrued charges, etc.		33,963,278	25,707,442
Deferred revenue		68,104	244,330
		<u>34,031,382</u>	<u>25,951,772</u>
Reserve for Insurance		1,000,000	1,000,000
Reserve for Contingencies		500,000	500,000
Retained Income		25,144,692	25,125,857
	\$	\$	
Outstanding Commitments			
Duty on stocks in bond	13,846,000	9,744,000	
Liquors ordered but not delivered (including duty, freight, etc.)	6,747,000	13,919,000	
Property under option and uncompleted building contracts	223,000	269,000	
	<u>20,816,000</u>	<u>23,932,000</u>	
		<u>60,676,074</u>	<u>52,577,629</u>

### AUDITOR'S REPORT

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1973, and the statements of income, retained income and source and application of funds for the year ended that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1973 and the results of its operations and the source and application of its funds for the year then ended.

A report on the audit has also been made to the Board, to the Minister and, in accordance with section 17 of The Liquor Control Act, to the Lieutenant Governor in Council.

Toronto, Ontario,  
July 20, 1973

F. N. SCOTT, C.A.,  
Assistant Provincial Auditor.

# Statement of Income

For the year ended March 31, 1973  
(with comparative figures for 1972)

## Sales

Sales of spirits, wines and beers

Cost of Sales

Inventories at beginning of year

Purchases

Less: Inventories at end of year

## Gross Profit on Sales

## Other Revenue

Brewers' licence fees

Brewery store and brewers' retail store licence fees

Gallonage fees on beer production — Ontario breweries

Gallonage fees on beer sales — Extra-Provincial breweries

Licences and fees — The Liquor Licence Act

(Net after deducting Municipalities' share)

Ontario wine licence fees

Miscellaneous permits

Special occasion permits

Transfer fees

Interest on bank balances

Remuneration for collecting Ontario Retail Sales Tax

Miscellaneous income

## Income

## Expenses — (the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses (Schedule 1)

Furniture and equipment and alterations to owned and  
rented premises written off

Additions to land and buildings during the year written off —

## Net Income

1973

\$ 37,959

302,818

340,778

45,994

\$ 22

241

48,587

2,886

8,494

1,221

1

1,707

1,939

51

34

324

\$ 47,843

2,810

1,885

1973		1972	
	%		%
535,529,373	100.00	\$476,734,006	100.00
		\$ 35,513,362	
		268,558,128	
		<u>304,071,490</u>	
294,783,119	55.05	<u>37,959,232</u>	<u>266,112,258</u>
			55.82
240,746,254	44.95		210,621,748
			44.18
		22,500	
		233,600	
		37,908,625	
		1,648,298	
		8,289,166	
		1,189,262	
		1,340	
		1,492,350	
		1,650,561	
		128,651	
		424,494	
65,512,326	12.23	<u>188,877</u>	<u>53,177,724</u>
			11.16
306,258,580	57.18		263,799,472
			55.34
		40,476,805	
		1,826,580	
52,539,745	9.81	<u>1,700,637</u>	<u>44,004,022</u>
			9.23
53,718,835	47.37		\$219,795,450
			46.11

Statement of Retained Income

For the year ended March 31, 1973  
(with comparative figures for 1972)

	<u>1973</u>	<u>1972</u>
	\$	\$
Balance at beginning of year	25,125,857	25,074,515
Add:		
Net income for the year	<u>253,718,835</u>	<u>219,795,450</u>
	278,844,692	244,869,965
Deduct:		
Payments to Treasurer of Ontario on account of profits	<u>253,700,000</u>	<u>219,744,108</u>
Balance at end of year	<u><u>25,144,692</u></u>	<u><u>25,125,857</u></u>

# Statement of Source and Application of Funds

For the year ended March 31, 1973  
(with comparative figures for 1972)

	<u>1973</u>	<u>1972</u>
	\$	\$
<b>Source of Funds</b>		
Net Income	253,718,835	219,795,450
Items not requiring an outlay of funds —		
Provision for write-off:		
Land and buildings	1,885,624	1,700,637
Furniture and equipment and alterations to premises	2,810,346	1,826,580
Decrease in mortgage receivable	2,193	2,053
	<u>258,416,998</u>	<u>223,324,720</u>
<b>Application of Funds</b>		
Investment in:		
Land and buildings	1,885,660	1,700,665
Furniture and equipment and alterations to premises	2,810,346	1,826,580
Increase in prepaid insurance and other charges	70,279	204,009
Increase in merchandise for future delivery	232,591	178,904
Payments to Treasurer of Ontario on accounts of profits	253,700,000	219,744,108
	<u>258,698,876</u>	<u>223,654,266</u>
Decrease in working capital	(281,878)	(329,546)
Working capital at beginning of year	26,178,480	26,508,026
Working capital at end of year	<u>25,896,602</u>	<u>26,178,480</u>

# Administrative and Operating Expenses

(including Liquor Licence Board of Ontario expenses)

For the year ended March 31, 1973

(with comparative figures for 1972)

	1973		1972	
	\$	%	\$	%
Salaries	34,516,624	6.45	29,769,909	6.25
Superannuation and retirement funds	1,422,806	.27	1,173,492	.25
Canada Pension Plan	384,127	.07	310,770	.07
Employees' insurance and health plans	751,371	.14	441,437	.09
Workmen's Compensation and Unemployment Insurance	237,121	.04	89,056	.02
Rent	2,988,881	.56	2,387,774	.50
Light, heat and power	798,223	.15	683,489	.14
Premises protection	59,319	.01	65,010	.01
Repairs and maintenance	1,318,246	.25	1,069,773	.22
Insurance	108,930	.02	102,522	.02
Grants in lieu of business taxes	693,620	.13	511,886	.11
Grants in lieu of property taxes	684,700	.13	649,767	.14
Postage	121,415	.02	102,501	.02
Stationery	717,249	.13	564,751	.12
Telephone and telegraph	209,768	.04	174,686	.04
Packing material	558,702	.10	529,301	.11
Freight	14,572	.00	14,044	.00
Discounts	54,957	.01	52,307	.01
N.A.T.O. discounts	94,026	.02	85,510	.02
Agency commissions	312,467	.06	252,980	.05
Agency expenses	50,541	.01	12,110	.00
Breakages	144,216	.03	97,651	.02
Sundries (note)	260,763	.05	406,019	.09
Travelling	511,293	.10	452,230	.09
Car and truck expenses	5,898	.00	5,599	.00
Tabulating equipment rental and supplies	301,272	.05	302,756	.06
Exchange	16,839	.00	—	—
Store service expenses (note)	233,562	.04	—	—
Ontario Provincial Police — Reimbursement of certain administrative and enforcement expenses	156,163	.03	135,681	.03
Store stock losses	116,104	.02	33,794	.01
	<u>47,843,775</u>	<u>8.93</u>	<u>40,476,805</u>	<u>8.49</u>

Note: For the year ended March 31, 1972, store service expenses were included with sundries.

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Continued  
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# 48<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1973  
to MARCH 31st, 1974



Ontario



Publications

# 48<sup>th</sup> REPORT

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LIQUOR CONTROL BOARD  
OF ONTARIO

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APRIL 1st, 1973  
to MARCH 31st, 1974

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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario, M5E 1A4  
October 3, 1974.

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U.,  
The Lieutenant Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

In accordance with the requirements of Section 13 of the Liquor Control Act, I have the honour to submit the forty-eighth report of the Liquor Control Board of Ontario. This report covers the fiscal period from April 1, 1973 to March 31, 1974. The Board continued to exercise control over the use and abuse of beverage alcohol and at the same time provided the best possible distribution of beverage alcohol products to the purchasing public. At March 31, 1974 the Board listed 2,012 spirits, wines and imported beers which represented products of Canada and thirty-nine countries of the world.

Twenty-five new self-serve stores were opened in the year. In addition, five stores were relocated and seven stores were converted at their present location to self-serve. This is in keeping with the policy established a number of years ago whereby new outlets, relocations and renovations will be established as self-serve stores wherever possible. At March 31, 1974 there were 514 regular Board stores of which 146 were self-serve. In addition, there were 58 Agency stores operating in the northern half of the Province. In 1974-75 the Board will concentrate more on the conversion of conventional stores. The number of new stores may accordingly be curtailed.

Sales through the Board stores increased \$58.9 million or 11% during the year. At the same time the net profit paid to the Treasurer of Ontario was \$280,800,000, an increase of 10.6%. Total revenue paid to the Treasurer from profits and Ontario retail sales tax collected on the sales of beverage alcohol from government stores amounted to \$361,500,000 in the fiscal year under review. The cost of administration is under continual review by management and all departments of the Board. Administrative costs, including the writeoff of fixed assets, were approximately 8% of total revenue.

In 1973 the Board introduced the mobile home style of building to provide temporary stores in rural areas pending construction of more permanent buildings. This program has been most successful and was expanded in the current year. At March 31, 1974 the Board was operating 16 stores of this type.

The Rare Wines and Spirits Department was opened in October, 1973 and is staffed by two experienced wine consultants. There are 236 listings offered

for sale. The operation has roused a considerable interest and has proved to be a useful service.

The increasing volume of distribution requirements will be more effectively processed with the opening of a leased warehouse in Toronto. This warehouse initially was used to store imported goods but subsequently has been converted to a storage and distribution warehouse for almost two thirds of the volume of shipments in the Toronto delivery area.

Gas chromatography and atomic absorption equipment and other automatic and semi-automatic equipment has been added to the Board's laboratory. This will streamline and expedite analysis procedures and permit the present high levels of quality control to be applied to the increasing number of products listed and sold.

Considerable difficulty was experienced during the year in the flow of imported goods into Ontario. The contributing factors included changing price levels, fluctuating currencies and serious interruptions in both supplies and transportation. Although it is anticipated that some of these problems may continue into the next fiscal year, every effort has been made to ensure the minimum of customer inconvenience.

The rise in price of many imported products has been dramatic over the past year. The main reasons for these higher prices are increases in world demand, costs of the supplies and currency fluctuations.

Due to adverse weather conditions the Ontario grape crop of 1972 was disappointingly small. To make good the shortage, the Ontario wineries were permitted to import and use grape concentrate or grapes up to an amount equal to 80% of their estimated shortage of Ontario grapes. This permission was granted under the terms of The Wine Content Act, 1972.

The number of wine consultants in both conventional and self-serve stores has been increased to 36 so that this service is being expanded to all areas of the province. This function provides a service to the public in an area of increasing interest.

I would like to express my appreciation to the Honourable John Clement, Q.C., Minister of Consumer and Commercial Relations and the staff of his Ministry for their assistance and cooperation over the past year. At the same time, a warm tribute should also be paid to the 3,200 permanent employees of the Board. Their work and support are an essential part of the success of the Board's operations.

Special thanks are extended to Mr. R. J. Harris, Deputy Chief Commissioner, Reverend A. Walter Downer, M.P.P., Mr. J. S. Abra, General Manager and all the Board's executives for their achievements over the past year.

I have the honour to be, Madam,

Your Obedient Servant,

GEORGE KITCHING,  
Chief Commissioner.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$594,438,726. Sales in Ontario, of Canadian wine made direct to customers from licenced retail wine stores and wineries, amounted to \$11,483,299. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$360,970,403.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## Sales by Value

	Twelve Months Ending March 31, 1974	Twelve Months Ending March 31, 1973	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$393,288,289	\$357,349,829	\$35,938,460
Imported Spirits	85,317,453	74,111,179	11,206,274
Canadian Wines	42,048,859	41,199,396	849,463
Imported Wines	52,182,039	44,772,593	7,409,446
Canadian Beers	18,307,419	15,573,820	2,733,599
Imported Beers	3,294,667	2,522,556	772,111
<b>Total Sales by Board Stores</b>	<u>\$594,438,726</u>	<u>\$535,529,373</u>	<u>\$58,909,353</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>\$ 11,483,299</u>	<u>\$ 11,702,322</u>	<u>\$ 219,023 (dec)</u>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>	<u>\$360,970,403</u>	<u>\$336,913,624</u>	<u>\$24,056,779</u>

# Sales by Gallons

	Twelve Months Ending March 31, 1974	Twelve Months Ending March 31, 1973	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	11,713,433	10,651,366	1,062,067
Imported Spirits	2,135,088	1,876,626	258,462
Canadian Wines	4,451,072	4,418,149	32,923
Imported Wines	3,295,452	2,944,525	350,927
Canadian Beers	6,368,915	5,420,586	948,329
Imported Beers	499,624	408,349	91,275
<b>Total Sales by Board Stores</b>	<u>28,463,584</u>	<u>25,719,601</u>	<u>2,743,983</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,291,245</u>	<u>1,325,219</u>	<u>33,974 (dec)</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>147,278,863</u>	<u>139,953,092</u>	<u>7,325,771</u>

Revenue payments totalling \$629,919,829 were received by the Treasurer of Ontario and the Government of Canada as a result of levies on beverage alcohol sold in Ontario during the year. In addition the Board paid \$1,383,710 to the Ontario municipalities as grants in lieu of realty and business taxes. These amounts are exclusive of corporation, realty and business taxes paid to these Governments and municipalities by the distilleries, wineries, breweries and licence holders. Ontario retail sales tax collected by licence holders and agency stores on their sales of beverage alcohol is also excluded.

In prior years rebates of a proportion of fees received from licencees were paid to those municipalities that policed the Liquor Control Act and Liquor Licence Act. These rebates were rescinded in the current year and were replaced by additional police grants from the Province of Ontario.

A summary of the aforementioned revenue payments follows:

## Treasurer of Ontario

Remitted by the Board—	
On account of profits, licence fees etc.	\$280,800,000
Ontario Retail Sales Tax on sales through liquor stores	<u>52,150,087</u>
	332,950,087
Remitted by others—	
Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	<u>28,568,454</u>

\$361,518,541

## Government of Canada

Paid by the Board—	
Customs and Excise Duties	143,590,315
Federal Sales Tax on spirits, wines and imported beers	<u>32,421,537</u>
	176,011,852

Paid by others—		
Malt duties and taxes on domestic		
beers and wines	<u>92,389,436</u>	<u>\$268,401,288</u>
		\$629,919,829
<b>Ontario Municipalities</b>		
Paid by the Board—		
Grants in lieu of realty and business taxes		<u>\$ 1,383,710</u>
		<u>\$631,303,539</u>

## Sales by Breweries to Other Provinces and Countries

	<u>1970 Gallons</u>	<u>1971 Gallons</u>	<u>1972 Gallons</u>	<u>1973 Gallons</u>	<u>1974 Gallons</u>
<b>Sales to other</b>					
Provinces	1,137,053	3,019,168	4,904,485	1,806,931	1,685,924
Export Sales	3,050,946	2,900,609	2,927,320	2,872,772	4,043,696
	<u>4,187,999</u>	<u>5,919,777</u>	<u>7,831,805</u>	<u>4,679,703</u>	<u>5,729,620</u>

The decrease in sales to other provinces in 1973 and 1974 is the direct result of the transfer of the total production of canned beer by one brewery from Ontario to Quebec.

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## Wineries

During the year a licence was issued to Baron Wines Limited to produce wine from Ontario fruit materials other than grapes. The company has not commenced production.

The number of wineries and winery stores in operation at March 31, 1974 remained at 8 and 51 respectively.

Six retail wine stores were relocated during the year as follows:

Barnes Wines Limited	—from 448 Queen Street East, Sault Ste. Marie to Georgian Mall, R.R. #3, Barrie
Chateau Cartier Wines Limited	—from Westmount Plaza, 50 Westmount Road, Waterloo to Bayshore Shopping Plaza, 100 Bayshore Drive, Ottawa
Chateau-Gai Wines Limited	—from 38 King Street South, Waterloo to 2500 Hurontario Street, Mississauga

- from 84 Cedar Street South, Timmins  
to Bramalea City Centre, Highway #7 and  
Dixie Road, Bramalea
- from 171 Goyeau Street, Windsor  
to Eastgate Square Shopping Plaza,  
75 Centennial Park, Stoney Creek
- from 33 Cumberland Street South,  
Thunder Bay  
to White Oaks Plaza,  
1100 Wellington Road South, London

## Sales by Wineries to Other Provinces and Countries

	1970 Gallons	1971 Gallons	1972 Gallons	1973 Gallons	1974 Gallons
Sales to other					
Provinces	3,536,132	3,970,456	4,129,763	4,315,648	4,031,620
Export Sales	34,414	34,409	38,401	59,266	48,919
	<u>3,570,546</u>	<u>4,004,865</u>	<u>4,168,164</u>	<u>4,374,914</u>	<u>4,080,539</u>

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1970 Tons	1971 Tons	1972 Tons	1973 Tons	1974 Tons
Grapes used in the manu- facture of wine	36,417	40,278	52,750	39,739	45,348
Grapes used in the manu- facture of concentrate	2,015	2,139	5,286	434	1,358
Cherries used in the manufacture of wine	292	12	106	78	67
	<u>38,724</u>	<u>42,429</u>	<u>58,142</u>	<u>40,251</u>	<u>46,773</u>

## Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1974, was as follows:

Board Members	3	Legal	4
		Permit	6
Staffs of Departments		Personnel	18
Chief Commissioner	3	Planning and Development	5
General Manager	8	Product Administration	25
Accounting	69	Properties Management	21
Audit	39	Purchasing	4
Customs	6	Records Management	9
Data Processing	32	Stores	2,621
Distribution Depot	41	Store Operations	34
Garage	6	Traffic	11
Laboratory	10	Warehouses	225
			<u>3,200</u>

In addition there were 1,524 temporary or daily rate employees at March 31, 1974. Of this total 1,494 were employed in the stores.

# Board Stores

There were 514 Board stores in operation during the year which included the distribution depot in Toronto and a rare wines and spirits store which was opened in October, 1973. This specialty store is located on the third floor of the Toronto warehouse building.

Twenty-five self-serve stores were opened at the following locations:

April	2, 1973	Perth Street	Richmond
April	12, 1973	1 Byng Avenue	Kapuskasing
May	2, 1973	300 Borough Drive	Scarborough
May	10, 1973	R.R. #14, Dog Lake Road	Lappe
May	11, 1973	* 125 Sall Street	Red Rock
May	18, 1973	2458 Dundas Street West	Mississauga
May	28, 1973	Greenwin Square, 345 Bloor Street East	Toronto
June	14, 1973	T Ward and Colborne Streets	Bridgenorth
June	18, 1973	* 262 Edinburgh Road South	Guelph
June	21, 1973	T Hastings Road	Warkworth
June	22, 1973	*T P.O. Box 160	Delta
June	28, 1973	T Highway #62 East	Maynooth
July	6, 1973	T Second Street	South Baymouth
July	20, 1973	5 Main Street North	Callander
August	11, 1973	T Highway 506	Plevna
September	10, 1973	25 Main Street East	Lambeth
September	13, 1973	*T 90 Peterborough Street	Norwood
September	27, 1973	T Cedar Avenue	Thorne
October	3, 1973	Square One, 100 City Centre Drive	Mississauga
November	27, 1973	* P.O. Box 799	Pelham
November	30, 1973	3060 Falconbridge Highway	Garson
December	15, 1973	2300 Yonge Street	Toronto
December	15, 1973	217 Yonge Street	Stroud
December	17, 1973	* 4-10th Avenue South	Earlton
March	9, 1974	900 Dufferin Street	Toronto

T Trailer      \* Board-owned Properties

The two summer stores at Hurkett and Rossport were not reopened in 1973-74.

Five stores were relocated and converted to self-serve during the year as follows:

Store	From	To
23	1057 Barton Street East	883 Barton Street East, Hamilton
30	240 Durham Street	99 Durham Street West, Walkerton
78	Armstrong Street	Armstrong Street, New Liskeard
163	2820 Danforth Avenue	* 3111 Danforth Avenue, Scarborough
188	233 Brock Street South	* 111 Gilbert Street East, Whitby

\* Board-owned Properties

The trailer store in Lanark was relocated to a permanent building. In addition, seven stores were converted to self-serve at their present locations. This is in keeping with the Board's policy of establishing new outlets, relocations and renovations to self-service wherever possible.

At March 31, 1974 there were 146 self-serve stores in operation.

## Agency Stores

Four new agency stores were opened during the year at the following locations:

May	15, 1973	Rosspport
August	1, 1973	Red Gut Bay Landing
October	12, 1973	Hillspport
March	13, 1974	Shabaqua

In addition, seven agencies changed ownership during the year. The original agency numbers were reassigned to the new owners. There were 58 agency stores in operation at March 31, 1974.

## Breweries and Brewers' Retail Stores

Henninger Brewery (Ontario) Limited commenced operation during the year. There were thirteen breweries located in Ontario, two in Quebec and three in Manitoba that were licenced to sell their products in Ontario.

Eleven new brewers' retail stores were opened during the year at the following locations:

April	17, 1973	178 Main Street North	Uxbridge
May	18, 1973	3030 Erindale Station Road	Mississauga
May	28, 1973	345 Bloor Street East	Toronto
June	20, 1973	300 Borough Drive	Scarborough
July	12, 1973	1380 Lambton Road	Sarnia
August	29, 1973	125 Lindsay Street	Fenelon Falls
August	29, 1973	500 Princess Street	Kingston
December	17, 1973	Ottawa Street	Havelock
January	28, 1974	248 Stirling Avenue South	Kitchener
February	4, 1974	25 King Street East	Bobcaygeon
March	11, 1974	300 King George Road	Brantford

On June 11, 1973 the brewers' retail store at 6567 Raglan Street, Renfrew was relocated to New Street and Highway #17, Renfrew.

There were 404 stores in operation at March 31, 1974.

# Permits

A classification of permits and licences issued during the year follows:

## PERMITS 1973-1974

Physicians	30
Druggists	67
Dentists and Veterinarians	59
Mechanical and Scientific	676 (350 Free)
Manufacturers	144
Kitchen	78
Hospitals	309 (Free)
First Aid	20 (Free)

## LICENCES 1973-1974

Breweries	13
Wineries	8
Sacramental Wine Vendorships	15
Non-potable alcohol, Storage	
Warehouses	1

# Financial Statements

Current Assets totalling \$60,839,420 consisted of the following:

Cash on hand and in banks	\$ 4,099,686
Accounts Receivable: Licence holder fees, beer levies, winery fees, freight claims, hospital charge sales etc.	6,610,626
Inventories of liquors and supplies	50,129,108
	<u>\$60,839,420</u>

Prepaid charges for insurance, taxes, etc. amounted to \$187,914.  
Prepaid merchandise for future delivery amounted to \$1,003,006.

Mortgage Receivable \$19,168 represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building and trailer, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 190 store sites on which completed stores are located; 28 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,965,906 have been charged against income. The accumulations of Reserve

for Depreciation have been increased by \$1,978,662, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to owned and rented premises.

Current Liabilities of the Board totalled \$34,164,969 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences etc.

The Reserve for Insurance of \$1,000,000 and the Reserve for Contingencies of \$500,000 remained the same as at the end of the previous year.

Outstanding Commitments amounted to \$50,199,000. These items represent the value of undelivered orders totalling \$38,100,000, the amounts of \$10,716,000 for Customs Duties and Sales Tax which are payable on the goods which were in bond in warehouses on March 31, 1974, the liabilities for property under option and uncompleted contracts of \$600,000 and goods and services ordered but not delivered of \$783,000. These outstanding commitments have not been reflected in the trading profits of the Board.

The Statement of Income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$594,438,726.

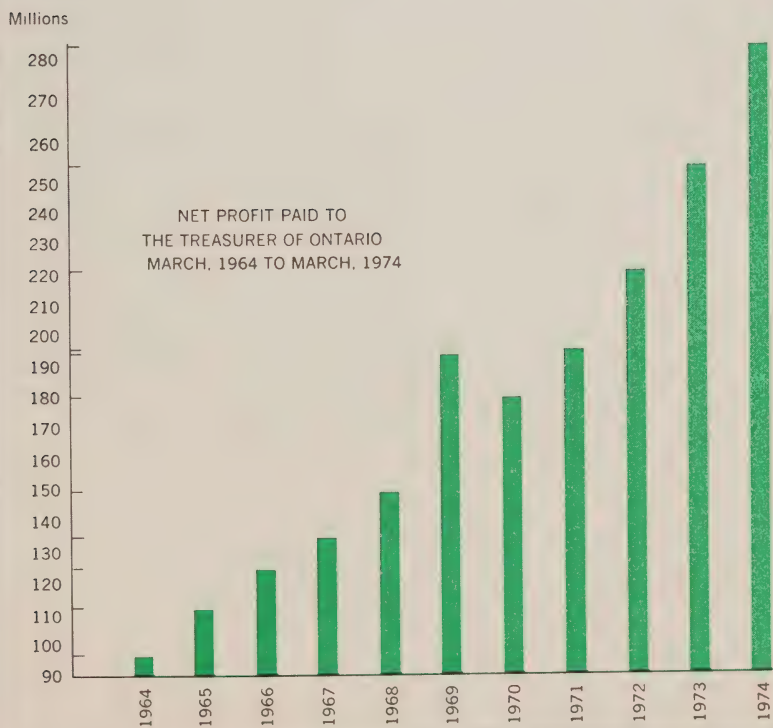
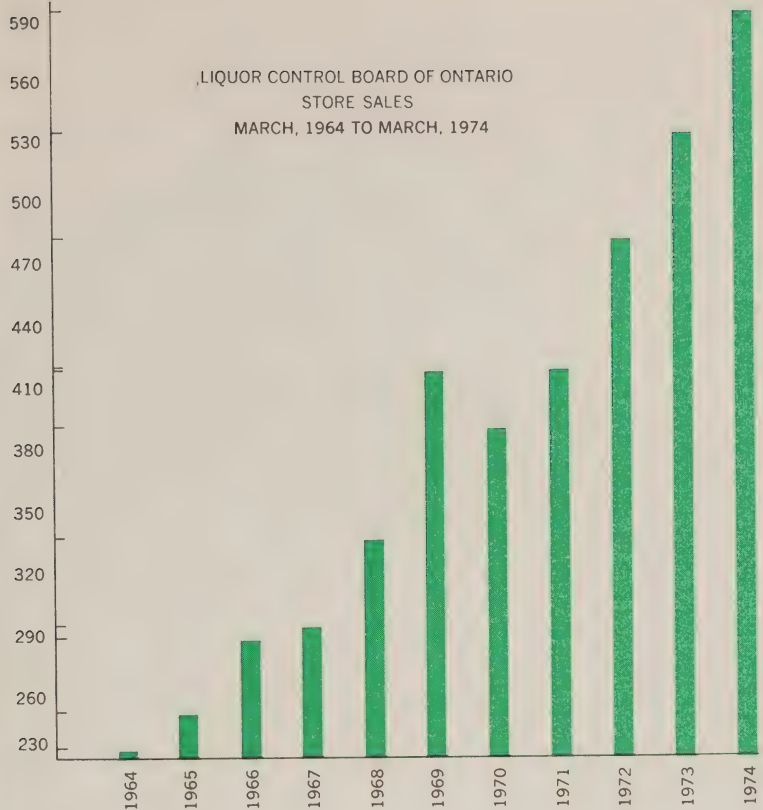
The same statement shows a gross trading profit of \$266,541,571 and other revenues of \$74,991,620 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$59,492,889 consisting of administrative and operating expenses (including \$2,722,877 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the Statement of Retained Income is \$282,040,302. After payment to the Treasurer of Ontario of \$280,800,000 on account of profits, a balance of \$26,384,994 remained in Retained Income.

For comparative purposes the figures and percentage to sales are given for the twelve month period reported upon herein and the preceding fiscal year.

The Statement of Source and Application of Funds summarizes how the funds were made available and how funds were disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

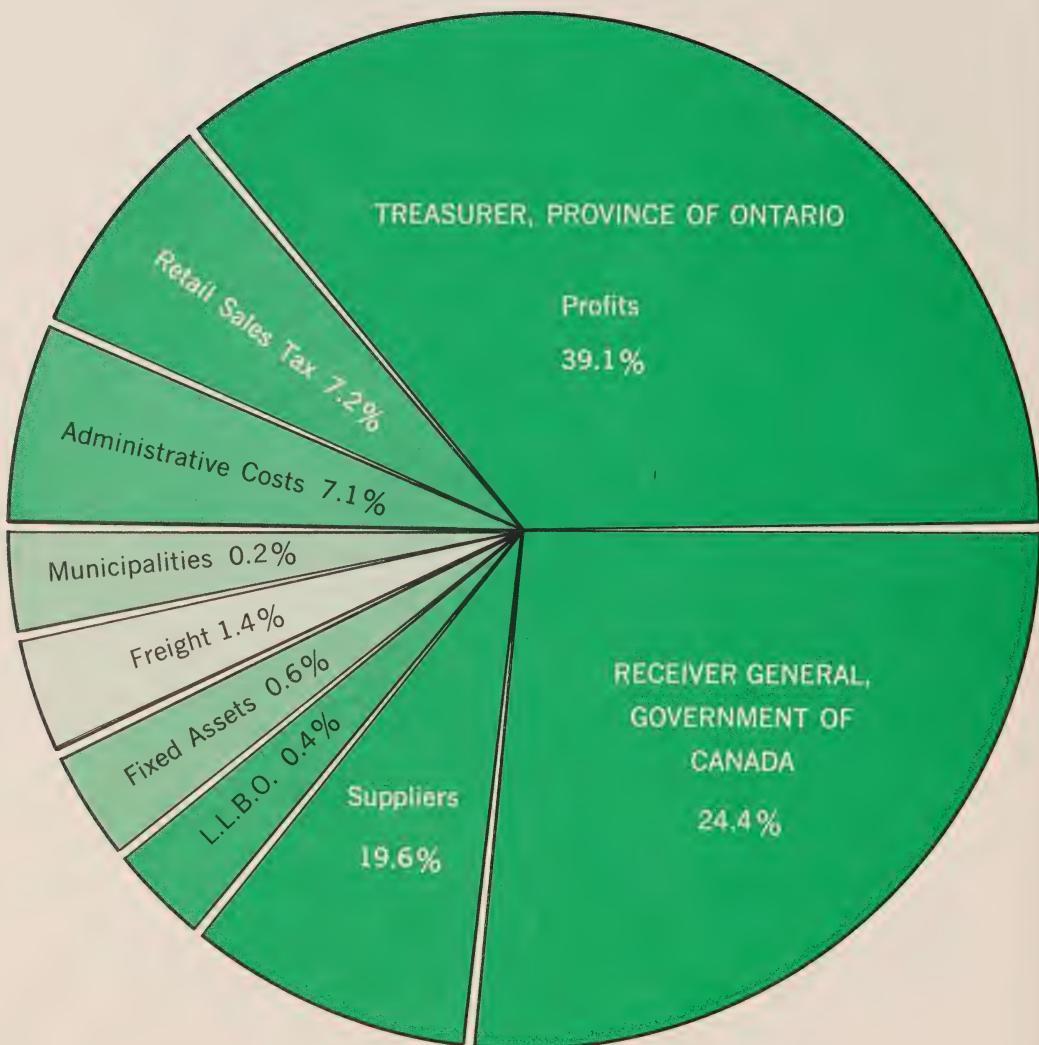
The Statement of Administration and Operation includes a total of \$407,298 for miscellaneous other expenses and a total of \$374,628 for store services. Of these amounts, a total of \$194,013 represents expenses paid from the stores' and warehouses' petty cash.



LIQUOR CONTROL BOARD OF ONTARIO

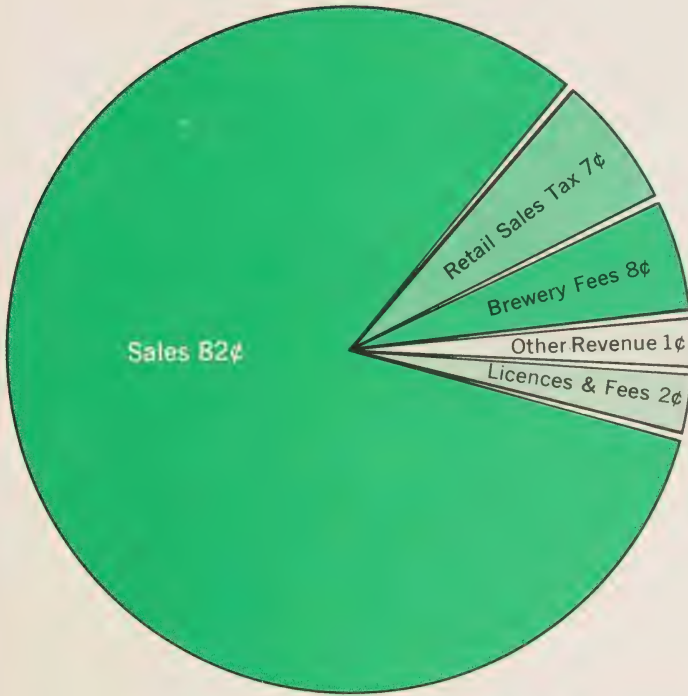
DISTRIBUTION OF GROSS REVENUE

1973-1974



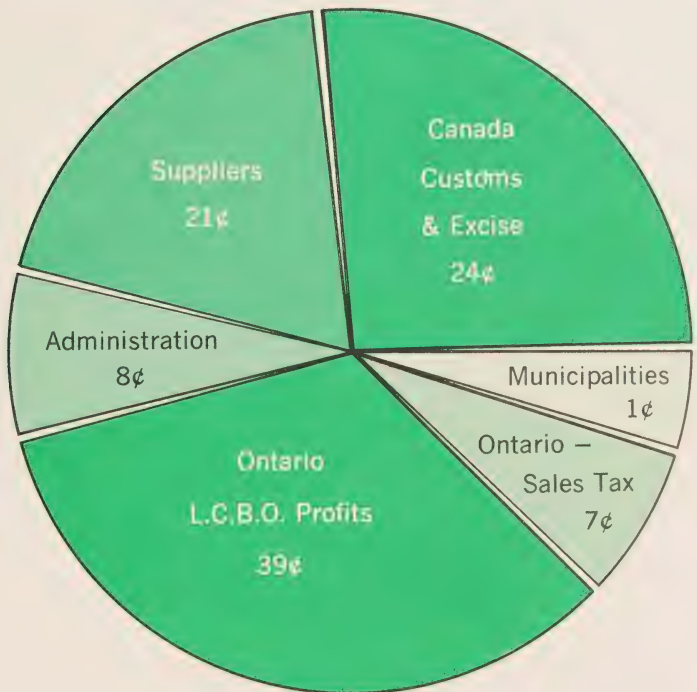
# THE L.C.B.O. DOLLAR

1973-1974



Where it comes from

How it is spent



# Balance Sheet

March 31, 1974

(with comparative figures for 1973)

ASSETS	1974	1973
	\$	\$
<b>Current</b>		
Cash	4,099,686	7,066,71
Accounts receivable	6,610,626	6,582,46
Inventories, at cost		
Liquors in warehouses and stores	49,956,132	45,994,95
Supplies	172,976	283,84
	<u>60,839,420</u>	<u>59,927,98</u>
<b>Prepaid Charges</b>		
Insurance and other charges	187,914	314,68
Merchandise for future delivery	1,003,006	411,49
	<u>1,190,920</u>	<u>726,18</u>
<b>Mortgage Receivable</b>	19,168	21,48
<b>Fixed, at cost</b>		
Land	8,107,873	7,625,69
Buildings	33,274,974	31,834,86
Furniture, equipment and motor vehicles	8,440,495	7,766,03
Alterations to owned and rented premises	9,856,083	8,551,87
	<u>59,679,425</u>	<u>55,778,47</u>
Less: Amounts written off	<u>59,678,970</u>	<u>55,778,05</u>
	<u>455</u>	<u>41</u>
	<u><u>62,049,963</u></u>	<u><u>60,676,07</u></u>

Approved:

J. S. ABRA  
General Manager

F. A. MACINNIS  
Deputy General Manager

LIABILITIES		1974	1973
		\$	\$
<b>Current</b>			
Accounts payable and accrued liabilities		34,092,194	33,963,278
Deferred revenue		72,775	68,104
		<u>34,164,969</u>	<u>34,031,382</u>
<b>Reserve for Insurance</b>		1,000,000	1,000,000
<b>Reserve for Contingencies</b>		500,000	500,000
<b>Retained Income</b>		<u>26,384,994</u>	<u>25,144,692</u>
	1974	1973	
	\$	\$	
<b>Outstanding Commitments</b>			
Duty on stocks in bond	10,716,000	13,846,000	
Liquors ordered but not delivered (including duty, freight, etc.)	38,100,000	6,747,000	
Goods and services ordered but not delivered (excluding liquors)	783,000	209,000	
Property under option and uncompleted building contracts	600,000	223,000	
	<u>50,199,000</u>	<u>21,025,000</u>	
		<u>62,049,963</u>	<u>60,676,074</u>

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1974, and the statements of income, retained income and source and application of funds for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1974 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has also been made to the Board, to the Minister and, in accordance with section 17 of The Liquor Control Act, to the Lieutenant Governor in Council.

Toronto, Ontario  
July 23, 1974.

F. N. SCOTT, C.A.,  
Provincial Auditor.

# LIQUOR CONTROL BOARD OF ONTARIO

## Statement of Income

For the year ended March 31, 1974

(with comparative figures for 1973)

### Sales

Sales of spirits, wines and beers

Cost of Sales

Inventories at beginning of year

Purchases

Less: Inventories at end of year

### Gross Profit on Sales

**Other Revenue** (the Liquor Control Board and the Liquor Licence Board)

Brewers' licence fees

Brewery store and brewers' retail store licence fees

Gallonage fees on beer production—Ontario breweries

Gallonage fees on beer sales—Extra-Provincial breweries

Licence fees—The Liquor Licence Act

(1973—Net after deducting municipalities' share)

Ontario wine licence fees

Special occasion permit fees

Special occasion permit purchase fees

Transfer fees

Interest on bank balances

Remuneration for collecting Ontario Retail Sales Tax

Miscellaneous income

### Income

### Expenses—

(the Liquor Control Board and the Liquor Licence Board)

Administrative and operating expenses (Schedule 1)

Furniture and equipment and alterations to owned and rented premises written off

Additions to land and buildings during the year written off

### Net Income

1974

\$

45,994,953

331,858,334

377,853,287

49,956,132

19,500

274,600

51,845,850

3,386,799

11,334,660

1,197,330

1,858,179

2,730,645

1,799,398

176,321

—

368,312

55,456,350

2,070,630

1,965,900



LIQUOR CONTROL BOARD OF ONTARIO

Statement of Retained Income

For the year ended March 31, 1974  
(with comparative figures for 1973)

	<div>1974</div> <div>\$</div>	<div>1973</div> <div>\$</div>
Balance at beginning of year	25,144,692	25,125,85
Add:		
Net income for the year	<div>282,040,302</div> <div>307,184,994</div>	<div>253,718,83</div> <div>278,844,69</div>
Deduct:		
Payments to Treasurer of Ontario on account of profits	<div>280,800,000</div>	<div>253,700,00</div>
Balance at end of year	<div>26,384,994</div>	<div>25,144,69</div>

# Statement of Source and Application of Funds

for the year ended March 31, 1974  
with comparative figures for 1973)

	1974 \$	1973 \$
<b>Source of Funds</b>		
Net Income	282,040,302	253,718,835
Items not requiring an outlay of funds—		
Provision for write-off:		
Land and buildings	1,965,906	1,885,624
Furniture and equipment and alterations to premises	2,070,633	2,810,346
Decrease in mortgage receivable	2,319	2,193
	<u>286,079,160</u>	<u>258,416,998</u>
<b>Application of Funds</b>		
Investment in:		
Land and buildings	1,965,942	1,885,660
Furniture and equipment and alterations to premises	2,070,633	2,810,346
Increase (Decrease) in prepaid insurance and other charges	(126,774)	70,279
Increase in merchandise for future delivery	591,510	232,591
Payments to Treasurer of Ontario on account of profits	280,800,000	253,700,000
	<u>285,301,311</u>	<u>258,698,876</u>
Increase (Decrease) in working capital	777,849	(281,878)
Working capital at beginning of year	<u>25,896,602</u>	<u>26,178,480</u>
Working capital at end of year	<u>26,674,451</u>	<u>25,896,602</u>

## LIQUOR CONTROL BOARD OF ONTARIO

## Administrative and Operating Expenses

(including Liquor Licence Board of Ontario expenses)

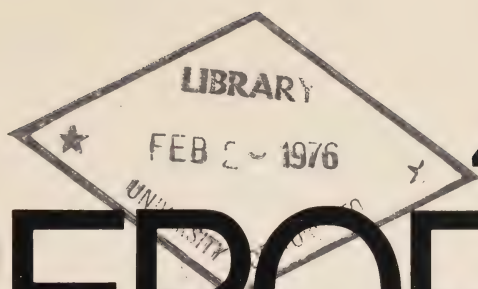
For the year ended March 31, 1974

(with comparative figures for 1973)

	1974		1973	
	\$	% of sales	\$	% of sales
Salaries	39,403,752	6.63	34,516,624	6.45
Superannuation	1,633,706	.28	1,422,806	.27
Canada Pension Plan	405,852	.07	384,127	.07
Employees' insurance and health plans	892,004	.15	751,371	.14
Workmen's Compensation and Unemployment Insurance	349,564	.06	237,121	.04
Rent	3,804,238	.64	2,988,881	.56
Light, heat and power	909,619	.15	798,223	.15
Premises protection	64,080	.01	59,319	.01
Repairs and maintenance	1,638,975	.28	1,318,246	.25
Insurance	147,044	.02	108,930	.02
Grants in lieu of business taxes	698,370	.12	693,620	.13
Grants in lieu of property taxes	685,340	.12	684,700	.13
Postage	134,791	.02	121,415	.02
Stationery	718,910	.12	717,249	.13
Telephone and telegraph	238,710	.04	209,768	.04
Packing material	691,770	.12	558,702	.10
Freight	13,991	.00	14,572	.00
Discounts	63,953	.01	54,957	.01
N.A.T.O. discounts	103,174	.02	94,026	.02
Agency commissions	349,101	.06	312,467	.06
Agency expenses	62,185	.01	50,541	.01
Breakages	189,623	.03	144,216	.03
Sundries	407,298	.07	260,763	.05
Travelling	594,360	.10	511,293	.10
Car and truck expenses	9,157	.00	5,898	.00
Data processing equipment rental and supplies	327,564	.05	301,272	.05
Exchange	26,601	.00	16,839	.00
Store service expenses	374,624	.06	233,562	.04
Ontario Provincial Police— Reimbursement of certain administrative and enforcement expenses	353,608	.06	156,163	.03
Store stock losses	164,386	.03	116,104	.02
	<u>55,456,350</u>	<u>9.33</u>	<u>47,843,775</u>	<u>8.93</u>

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Continued  
Publication



49<sup>th</sup>

# REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1974  
to MARCH 31st, 1975



Ontario



# 49<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1974  
to MARCH 31st, 1975





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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario M5E 1A4  
October 28, 1975

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U.,  
The Lieutenant Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May it Please Your Honour,

The forty-ninth report of the Liquor Control Board is submitted in accordance with the requirements of Section 13 of The Liquor Control Act. This report covers the fiscal year ended March 31, 1975, during which time the Board was responsible for the control and sale in Ontario of the products of Distilleries, Wineries and Breweries. Forty-two countries including Canada were represented in the Board's listing of 2,048 spirits, wines and imported beers, to provide a varied product selection throughout the province.

In addition to the 535 regular Board stores in operation as at March 31, 1975, there were 61 agency stores operating in isolated localities in the northern half of the province. These figures include the 21 new self-serve stores and the 3 agency stores opened during the year. In keeping with the Board's policy to have new outlets, relocations and renovated premises designed as self-serve stores wherever possible, six stores were relocated and nineteen stores were converted at their present location to self-serve.

Payments to the Treasurer of Ontario from profits and from Ontario Retail Sales Tax collected on the sale of alcoholic products from Government stores amounted to \$392.5 million for the fiscal year under review. While the sales through Board stores increased by \$88.8 million or 15%, revenues from Brewery gallonage fees and fees from Ontario Wineries decreased during the year, because of new regulations under the Liquor Control Act.

In the past, Brewery gallonage fees were collected on the date of production, but in order to conform with measures being taken by the Federal Government to exercise more economical control over the collection of taxes from the Breweries, the gallonage fees are now collected on the date of shipment to stores.

The reduced revenue from the Ontario wineries was caused by the removal of the 10½% fee previously collected on sales through Winery retail stores. This action was taken to encourage the Ontario wine industry.

The Board's continuing review of administrative and operating costs has held administrative costs, including the write-off of fixed assets, to approximately 8% of total revenue. To improve on the efficiency of the Board's bottling operation, new equipment has been installed to facilitate shipments now being received in bulk.

As a result of a 1973 decision rendered by the Ontario Divisional Court of Appeals, the Board discontinued the issuance of orders of Interdiction except where a person applies for voluntary Interdiction or where Interdiction is ordered by the courts. It therefore follows that fewer Interdictions were issued during the year.

In conjunction with the Ministry of Consumer and Commercial Relations, the Board now employs the services of a women's advisor in order to encourage the utilization of women's talents in managerial positions. The Board's employment and promotion policy is to ensure equal opportunity for both men and women.

I would like to thank the 3,344 permanent employees whose conscientious efforts have made an important contribution to the successful operation of the Board during the year. In particular, the dedication and assistance of Mr. R. J. Harris, Deputy Chief Commissioner, the Reverend A. Walter Downer, M.P.P., Mr. J. S. Abra, General Manager and officers of the Board all warrant special acknowledgement. Their cooperative efforts have allowed the Board to function smoothly throughout the year.

I have the honour to be Madam,

Your Obedient Servant,

GEORGE KITCHING,  
Chief Commissioner.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$683,258,454. Sales in Ontario, of Canadian wine made direct to customers from licensed retail wine stores and wineries, amounted to \$11,508,921. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$396,051,038.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months:

## Sales by Value

	Twelve Months Ending March 31, 1975	Twelve Months Ending March 31, 1974	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$443,718,347	\$393,288,289	\$50,430,058
Imported Spirits	103,502,214	85,317,453	18,184,761
Canadian Wines	45,359,090	42,048,859	3,310,231
Imported Wines	64,497,535	52,182,039	12,315,496
Canadian Beers	21,692,129	18,307,419	3,384,710
Imported Beers	4,489,139	3,294,667	1,194,472
<b>Total Sales by Board Stores</b>	<u>\$683,258,454</u>	<u>\$594,438,726</u>	<u>\$88,819,728</u>
<b>Sales by Ontario Wineries And Winery Stores</b>	<u>\$ 11,508,921</u>	<u>\$ 11,483,299</u>	<u>\$ 25,622</u>
<b>Sales by Breweries and Brewers' Retail Stores</b> (exclusive of container value)	<u>\$396,051,038</u>	<u>\$360,970,403</u>	<u>\$35,080,638</u>

## Sales by Gallons

	Twelve Months Ending March 31, 1975	Twelve Months Ending March 31, 1974	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	12,524,425	11,713,433	810,992
Imported Spirits	2,487,481	2,135,088	352,393
Canadian Wines	4,402,656	4,451,072	48,416 (dec)
Imported Wines	3,925,426	3,295,452	629,974
Canadian Beers	6,951,830	6,368,915	582,915
Imported Beers	682,599	499,624	182,975
<b>Total Sales by Board Stores</b>	<u>30,974,417</u>	<u>28,463,584</u>	<u>2,510,833</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,186,248</u>	<u>1,291,245</u>	<u>104,997 (dec)</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>148,479,527</u>	<u>147,278,863</u>	<u>1,200,664</u>

Revenue payments totalling \$678,055,701 were received by the Treasurer of Ontario and the Government of Canada as a result of levies on beverage alcohol sold in Ontario during the year. In addition the Board paid \$1,563,604 to the Ontario municipalities as grants in lieu of realty and business taxes. These amounts are exclusive of corporation, realty and business taxes paid to these Governments and municipalities by the distilleries, wineries, breweries and licence holders. Ontario retail sales tax collected by licence holders and agency stores on their sales of beverage alcohol is also excluded.

A summary of the aforementioned revenue payments follows:

### Treasurer of Ontario

Remitted by the Board –	
On account of profits, licence fees etc.	\$301,650,000
Ontario Retail Sales Tax on sales through liquor stores	<u>59,697,733</u>
	361,347,733
Remitted by others –	
Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	<u>31,228,701</u>

\$392,576,434

### Government of Canada

Paid by the Board–	
Customs and Excise Duties	156,877,781
Federal Sales Tax on spirits, wines and imported beers	<u>36,126,554</u>
	193,004,335

Paid by others –		
Malt duties and taxes on domestic		
beers and wines	<u>92,474,932</u>	<u>\$285,479,267</u>
		<u>\$678,055,701</u>
<b>Ontario Municipalities</b>		
Paid by the Board–		
Grants in lieu of realty and business taxes		\$ 1,563,604
		<u>\$679,619,305</u>

## Sales by Breweries to Other Provinces and Countries

	<u>1971 Gallons</u>	<u>1972 Gallons</u>	<u>1973 Gallons</u>	<u>1974 Gallons</u>	<u>1975 Gallons</u>
<b>Sales to other</b>					
<b>Provinces</b>	3,019,168	4,904,485	1,806,931	1,685,924	746,703
<b>Export Sales</b>	<u>2,900,609</u>	<u>2,927,320</u>	<u>2,872,772</u>	<u>4,043,696</u>	<u>6,203,685</u>
	<u>5,919,777</u>	<u>7,831,805</u>	<u>4,679,703</u>	<u>5,729,620</u>	<u>6,950,388</u>

The decrease in sales to other provinces during the year is attributed to beer no longer bottled for breweries in other provinces.

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## Wineries

To meet stringently supervised quality standards in the introduction of varietal wines, the Ontario Wine Industry is in the process of preparing additional wine standards to provide assistance to all Ontario Wineries.

During the year, a permit was issued to Inniskillen House Wines Incorporated to produce wines from Ontario grapes. Baron Wines Limited, who last year received a licence to produce Wines from Ontario apples, have abandoned their plans to proceed as a winery.

The number of wineries and winery stores in operation at March 31, 1975 remained at 8 and 51 respectively.

Two retail Wine stores were relocated during the year as follows:

Chateau-Gai Wines Limited - from 2500 Hurontario Street, Mississauga  
to Burlington Mall, 777 Guelph Line, Burlington

Jordon Wines Limited - from Yorkdale Shopping Centre, Toronto  
to 703 Ouellette Avenue, Windsor

## Sales by Wineries to Other Provinces and Countries

	1971 Gallons	1972 Gallons	1973 Gallons	1974 Gallons	1975 Gallons
Sales to other					
Provinces	3,970,456	4,129,763	4,315,648	4,031,620	4,035,073
Export Sales	34,409	38,401	59,266	48,919	33,783
	<u>4,004,865</u>	<u>4,168,164</u>	<u>4,374,914</u>	<u>4,080,539</u>	<u>4,068,856</u>

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1971 Tons	1972 Tons	1973 Tons	1974 Tons	1975 Tons
Grapes used in the manufacture of wine	40,278	52,750	39,739	45,348	46,916
Grapes used in the manu- facture of concentrate	2,139	5,286	434	1,358	2,058
Cherries used in the manufacture of wine	12	106	78	67	21
	<u>42,429</u>	<u>58,142</u>	<u>40,251</u>	<u>46,773</u>	<u>48,995</u>

## Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1975, was as follows:

Board Members	3	Legal	4
		Permit	5
Staffs of Departments		Personnel	20
Chief Commissioner	3	Planning and Development	3
General Manager	9	Product Administration	29
Accounting	72	Properties Management	23
Audit	52	Purchasing	4
Customs	5	Records Management	7
Data Processing	32	Stores	2,748
Distribution Depot	41	Store Operations	40
Garage	6	Traffic	13
Laboratory	11	Warehouses	214
			<u>3,344</u>

In addition there were 1,713 temporary or daily rate employees at March 31, 1975. Of this total 1,677 were employed in the stores.

# Board Stores

There were 535 Board stores in operation during the year which included the distribution depot in Toronto and a rare wines and spirits store which was opened in October, 1973.

Twenty-one self-serve stores were opened at the following locations:

April	4, 1974	* Queen Street, P.O. Box 69	Langton
May	28, 1974	Superior Street, P.O. Box 819	Stayner
June	10, 1974	T General Delivery	Longbow Lake
June	14, 1974	Loyalist Shopping Plaza, Manitou Crescent	Amherstview
June	19, 1974	T Bidby Street and Highway 520	Magnetawan
June	21, 1974	T Bay and River Streets	Baysville
June	28, 1974	T General Delivery	Newboro
June	29, 1974	T P.O. Box 190	Woodville
July	5, 1974	T P.O. Box 9	Echo Bay
July	22, 1974	Sherwood Forest Shopping Mall	London
August	2, 1974	Manotick Mews, P.O. Box 518	Manotick
August	12, 1974	1565 Barton Street East	Hamilton
October	15, 1974	* Corner Highway 17 and 535	Hagar
October	21, 1974	Lower Cumberland Terrace, 2 Bloor Street West	Toronto
November	20, 1974	Billings Bridge Plaza, 123-2269 Riverside Drive	Ottawa
November	29, 1974	* 229 Hamilton Road, P.O. Box 340	Dorchester
December	3, 1974	8129 Yonge Street	Thornhill
December	9, 1974	55 Bloor Street West	Toronto
January	10, 1975	* 82 Hope Street West, P.O. Box 488	Tavistock
January	11, 1975	55 Queen Street South, P.O. Box 340	Tottenham
February	28, 1975	12 Serpentine Street, P.O. Box 1101	Copper Cliff

T Trailer \* Board-owned Properties

The following six stores were relocated and converted to a self-serve operation during the year.

Store	From	To
91	* 4 Kirkland Street	Summerhayes Avenue, Kirkland Lake
145	* 62 John Street West	160 Holland Street West, Bradford
149	2943 Bloor Street West	2948 Bloor Street West, Toronto
167	* 791 Princess Street	905 Princess Street, Kingston
169	* 118 Oxford Street	68 Charles Street West, Ingersoll
324	1407 Carling Avenue	1385 Carling Avenue, Ottawa

\* Board-owned Properties

The trailer stores in Delta and Iron Bridge were relocated to permanent buildings. In addition, nineteen stores were converted to self-serve at their present locations. This is in keeping with the Board's policy of establishing new outlets, relocations and renovations to self-service wherever possible.

At March 31, 1975 there were 187 self-serve stores in operation.

# Agency Stores

Three new agency stores were opened during the year at the following locations:

April	25, 1974	Spring Bay
September	19, 1974	Biscotasing
October	15, 1974	Longbow Lake

In addition, four agencies changed ownership during the year. The original agency numbers were reassigned to the new owners. There were 61 agency stores in operation at March 31, 1975.

## Breweries and Brewers' Retail Stores

During the year, Canadian Breweries Limited changed their corporate name to Carling O'Keefe Limited and thereby eliminated the Dow Brewery (Ontario) Limited and O'Keefe Brewing Company Limited both located in Toronto. There remained eight breweries located in Ontario, two in Quebec and two in Manitoba that were licensed to sell their products in Ontario.

Twelve new brewers' retail stores were opened during the year at the following locations:

April	26, 1974	2005 Finch Avenue West	Toronto
May	3, 1974	2291 Kipling Avenue North	Toronto
May	16, 1974	650 King Street East	Oshawa
May	27, 1974	44 Scott Street	St. Catharines
August	16, 1974	#41 Highway	Northbrook
September	6, 1974	2458 Dundas Street	Mississauga
October	7, 1974	5544 Lawrence Avenue East	Scarborough
November	4, 1974	P.O. Box 590	Azilda
November	25, 1974	712 Baseline Road	London
December	3, 1974	1383 Carling Avenue	Ottawa
December	3, 1974	8125 Yonge Street	Thornhill
December	17, 1974	Laurier Street	Rockland

On August 12, 1974 the brewers' retail store at 9 Chipman Street in Kenora was relocated to Kenora Shoppers Mall, Kenora.

There were 416 stores in operation at March 31, 1975.

## Permits

A classification of permits and licences issued during the year follows:

### PERMITS 1974 - 1975

Physicians	59
Druggists	65
Dentists and Veterinarians	78
Mechanical and Scientific	314 (24 Free)
Manufacturers	144
Kitchen	24
Hospitals	306 (Free)
First Aid	169 (Free)

## LICENCES 1974 – 1975

Breweries	9
Wineries	8
Sacramental Wine Vendorships	15
Non-potable alcohol, Storage Warehouses	1

# Financial Statements

Current Assets totalling \$67,546,028 consisted of the following:

Cash on hand and in banks	\$ 2,152,005
Accounts Receivable: Licence holder fees, beer levies, winery fees, freight claims, hospital charge sales etc.	4,932,305
Inventories of liquors, supplies and equipment	60,044,658
Prepaid charges for Insurance, taxes etc.	417,060
	<u>\$67,546,028</u>

Included in inventories of liquors, supplies and equipment is prepaid merchandise for future delivery amounting to \$1,229,201, and supplies and equipment valued at \$667,194.

Mortgage receivable \$16,715 represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building and trailer, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 202 store sites on which completed stores are located; 29 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$2,695,297 have been charged against income.

The accumulations of reserve for depreciation have been increased by \$1,797,713, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to leased premises.

Current liabilities of the Board totalled \$32,464,490 and consisted of accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences etc.

The Reserve for Insurance and the Reserve for Contingencies in amounts of \$1,000,000 and \$500,000 respectively have been transferred to retained income and will no longer be reported separately on the balance sheet.

Outstanding Commitments amounted to \$32,982,000. These items represent the value of undelivered orders totalling \$13,884,000, the amount of \$18,118,000 for customs duties and sales tax which are payable on the goods which were in bond in warehouses on March 31, 1975, the liabilities for property under option and uncompleted contracts of \$397,000 and goods and services ordered but not delivered of \$583,000. These outstanding commitments have not been reflected in the trading profits of the Board.

The statement of income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$683,258,454.

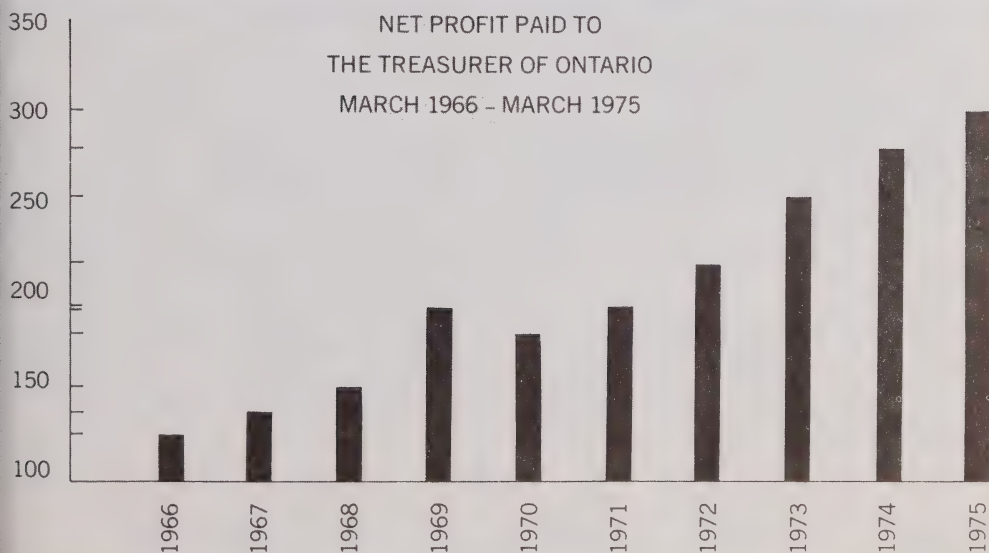
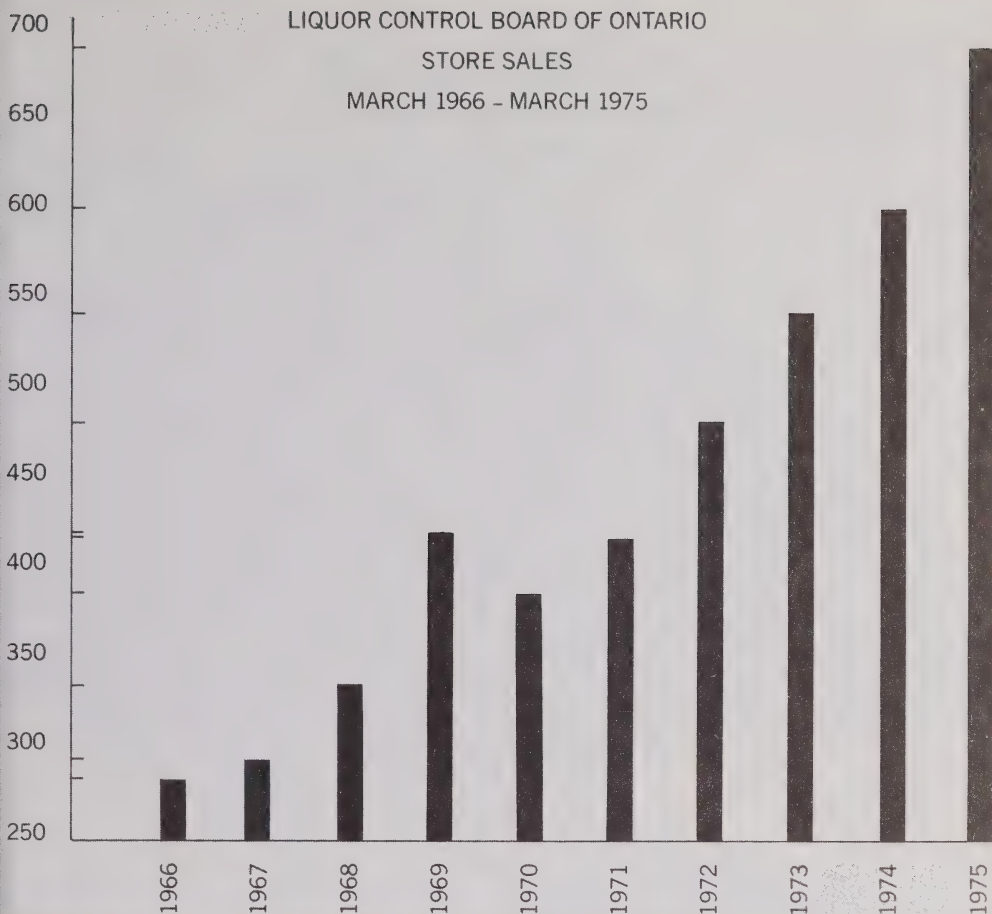
The same statement shows a gross trading profit of \$306,557,313 and other revenue of \$73,993,038 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$71,686,605 consisting of administrative and operating expenses (including \$3,417,333 incurred by the Liquor Licence Board) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the statement of retained income is \$308,863,746. After payment to the Treasurer of Ontario of \$301,650,000 on account of profits, a balance of \$35,098,739 remained in retained income.

For comparative purposes the figures and percentages to sales are given for the twelve month period reported upon herein and the preceding fiscal year.

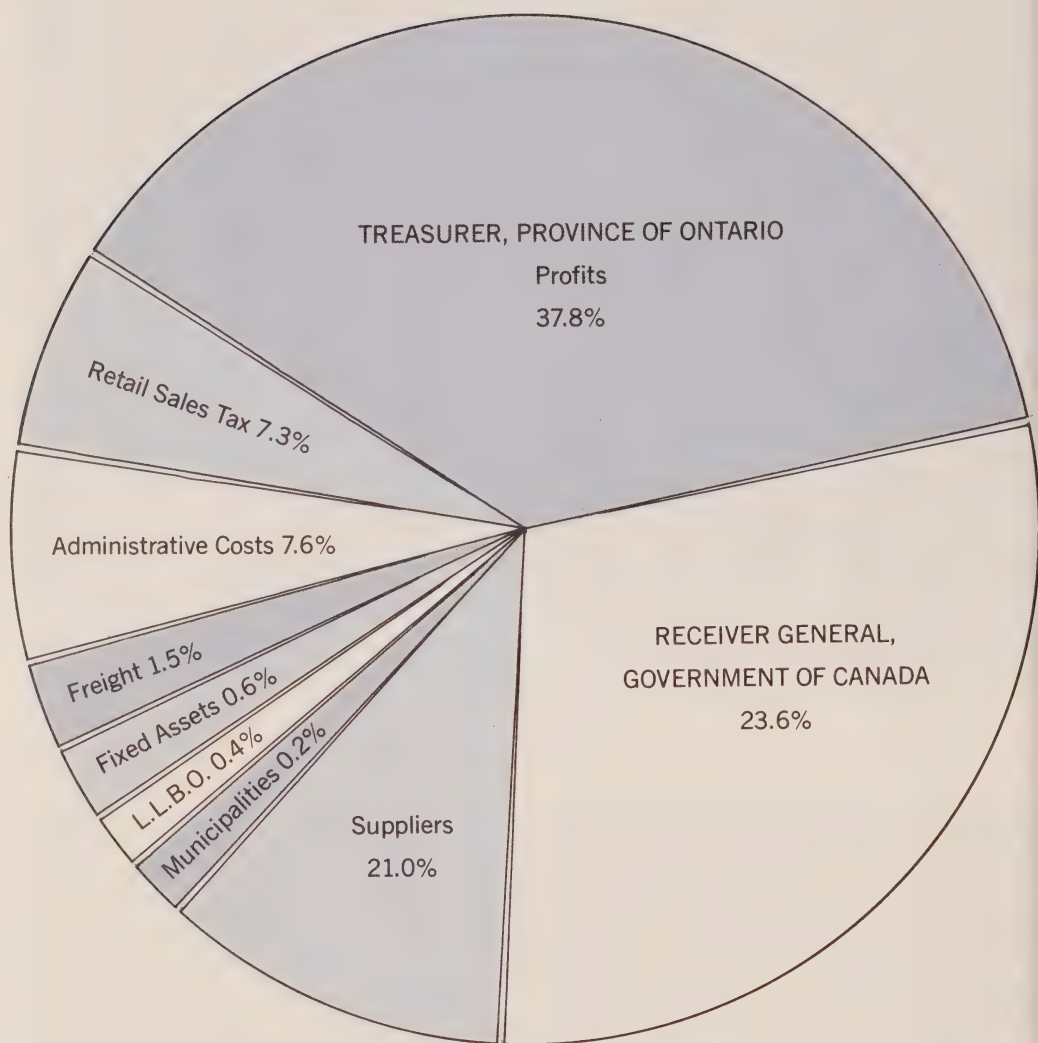
The statement of changes in financial condition summarizes how the working capital was made available and disbursed during the year.

In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

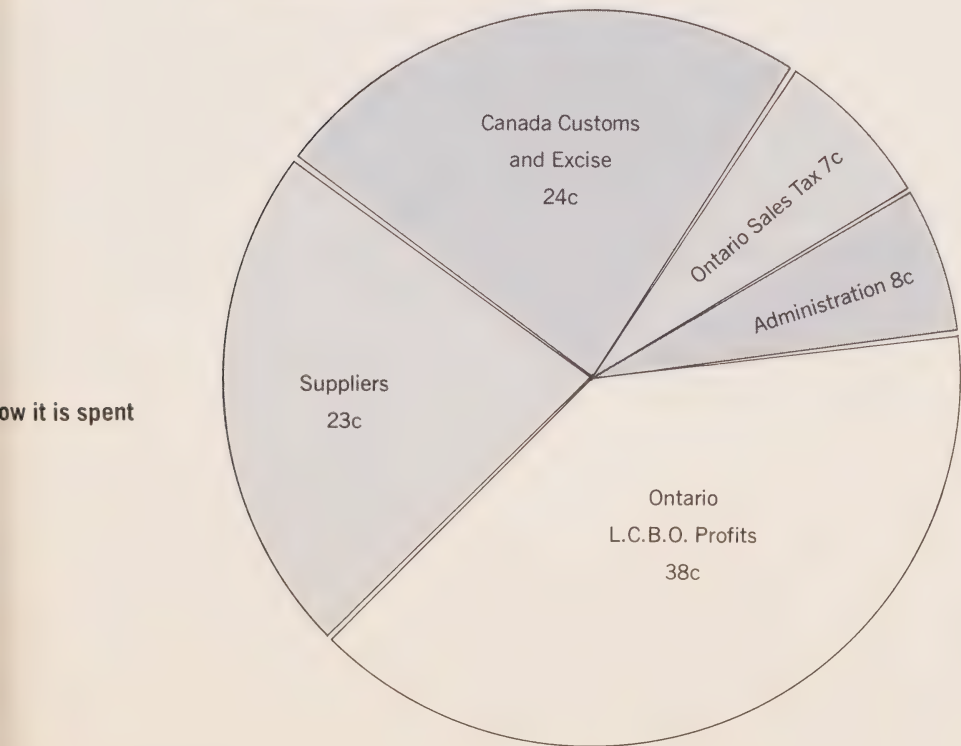
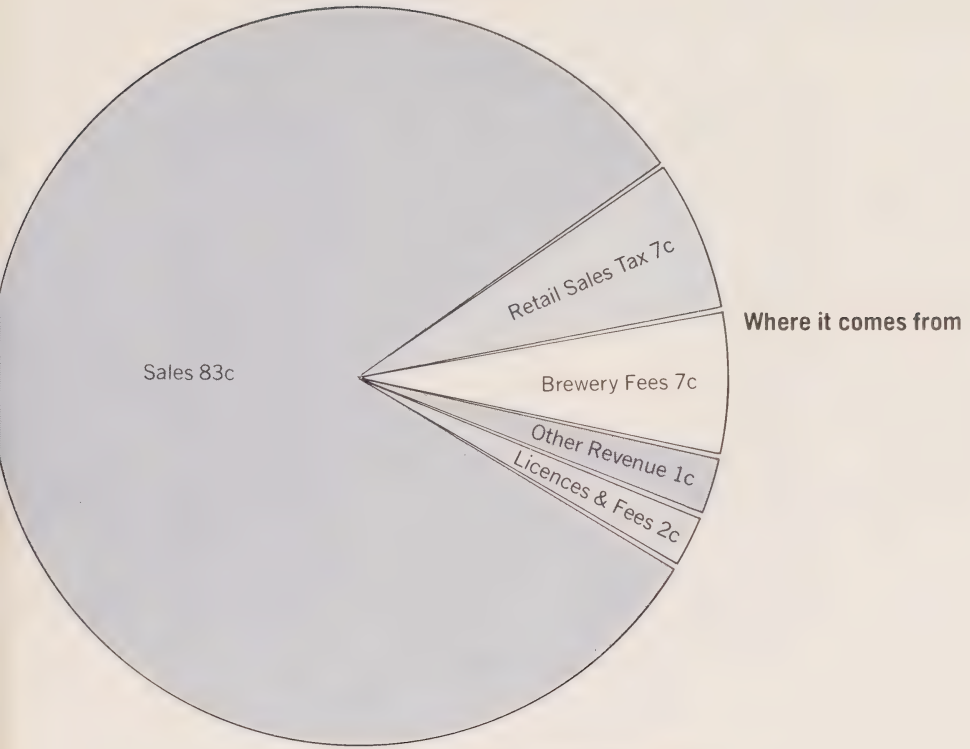
The statement of administration and operation includes a total of \$440,066 for miscellaneous other expenses and a total of \$221,103 for store services. Of these amounts, a total of \$187,081 represents expenses paid from the stores' and warehouses' petty cash.



LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1974 - 1975



**THE L.C.B.O. DOLLAR  
1974 - 1975**



Balance Sheet

March 31, 1975

ASSETS

	1975	1974
	\$	\$
Current		
Cash	2,152,005	4,099,686
Accounts receivable	4,932,305	6,610,626
Inventories, at cost	60,044,658	51,132,114
Prepaid expenses	417,060	187,914
	<u>67,546,028</u>	<u>62,030,340</u>
	16,715	19,168
Mortgage receivable		
	<u>63,249,871</u>	<u>59,679,425</u>
Fixed, at cost (note 2)	63,249,385	59,678,970
Less: amounts written off	486	455
	<u>67,563,229</u>	<u>62,049,963</u>

See accompanying notes to financial statements.

Approved:

J. S. ABRA  
General Manager

F. A. MACINNIS  
Deputy General Manager

## LIABILITIES

	1975	1974
	\$	\$
<b>Current</b>		
Accounts payable and accrued expenses	32,306,536	34,092,194
Deferred revenue	157,954	72,775
	<u>32,464,490</u>	<u>34,164,969</u>
<b>Reserves</b>		
Contingencies	-	500,000
Insurance	-	1,000,000
	-	<u>1,500,000</u>
<b>Retained income</b>	<u>35,098,739</u>	<u>26,384,994</u>
	<u>67,563,229</u>	<u>62,049,963</u>

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1975, and the statements of income, retained income and changes in financial position for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1975, and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles which, except for the change in recording purchases of furniture and equipment as described in note 2 to the financial statements, have been applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board, to the Minister and, in accordance with section 17 of the Liquor Control Act, to the Lieutenant Governor in Council.

Toronto, Ontario,  
July 31, 1975.

F. N. SCOTT, C.A.,  
Provincial Auditor.

LIQUOR CONTROL BOARD OF ONTARIO

## Statement of Income

Year Ended March 31, 1975

	1975	1974
	\$	\$
Sales	683,258,454	594,438,726
Cost of sales	376,701,141	327,897,155
Gross income	306,557,313	266,541,571
Operating expenses – (note 3)	71,686,605	59,492,889
Operating income	234,870,708	207,048,682
Other revenue – (note 4)	73,993,038	74,991,620
Net income for the year	308,863,746	282,040,302

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

## Statement of Retained Income

Year Ended March 31, 1975

	1975	1974
	\$	\$
Balance at beginning of year	26,384,994	25,144,692
Add:		
Net income for the year	308,863,745	282,040,302
Reserves		
Contingencies	500,000	–
Insurance	1,000,000	–
	310,363,745	282,040,302
Deduct:		
Payments to the Treasurer of Ontario on account of net income	301,650,000	280,800,000
Balance at end of year	35,098,739	26,384,994

See accompanying notes to financial statements.

# Statement of Changes in Financial Position

Year Ended March 31, 1975

	1975	1974
	\$	\$
Source of working capital		
Net income for the year	308,863,745	282,040,302
Item not requiring an outlay of funds –		
Fixed assets written off	4,493,010	4,036,539
Decrease in mortgage receivable	2,453	2,319
	<u>313,359,208</u>	<u>286,079,160</u>
Application of working capital		
Investment in fixed assets	4,493,041	4,036,575
Payments to Treasurer of Ontario on		
account of net income	301,650,000	280,800,000
	<u>306,143,041</u>	<u>284,836,575</u>
Increase in working capital	7,216,167	1,242,585
Working capital at beginning of year	<u>27,865,371</u>	<u>26,622,786</u>
Working capital at end of year	<u>35,081,538</u>	<u>27,865,371</u>

See accompanying notes to financial statements.

# Notes to Financial Statements

March 31, 1975

1. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1975 presentation.

2. FIXED ASSETS

It is the policy of the Board to carry each parcel of land and each building on its books at the nominal value of \$1.00. The total of furniture and equipment in current use and leasehold improvements is carried on the books at the nominal value of \$1.00. All asset costs in excess of these nominal values are written off in the year of acquisition.

The cost at year-end of fixed assets is as follows:

	1975	1974
	\$	\$
Land	8,274,779	8,107,874
Buildings	39,699,242	37,538,643
Furniture and equipment	9,210,780	8,440,495
Leasehold improvements	6,065,070	5,592,413
	<u>63,249,871</u>	<u>59,679,425</u>

Details of fixed assets written off during the year are as follows:

	1975	1974
	\$	\$
Land	189,711	482,190
Buildings	2,505,586	2,203,435
Furniture and equipment	969,704	751,883
Leasehold improvements	828,009	599,031
	<u>4,493,010</u>	<u>4,036,539</u>

During the year ended March 31, 1975 the accounting treatment of furniture and equipment purchases was changed. Previously, all furniture and equipment was charged as fixed assets; now such purchases are charged as inventory and transferred to fixed assets only as they are put into current use. The effect of this change is to increase the net income of the year ended March 31, 1975 by \$244,096, being the amount of fixed assets carried in inventory at year-end.

# OPERATING EXPENSES

These include the expenses of the Liquor Licence Board of Ontario and are as follows:

	1975		1974	
	\$	% of sales	\$	% of sales
Salaries	47,481,422	6.95	39,403,752	6.63
Superannuation	1,899,539	.28	1,633,706	.28
Canada pension plan	508,433	.07	405,852	.07
Employees' insurance and health plans	1,198,108	.18	892,004	.15
Workmen's Compensation and unemployment insurance	625,727	.09	349,564	.06
Rent	4,649,884	.68	3,804,238	.64
Light, heat and power	1,071,300	.16	909,619	.15
Premises protection	82,990	.01	64,080	.01
Repairs and maintenance	1,641,640	.24	1,638,975	.28
Insurance	138,970	.02	147,044	.02
Grants in lieu of business taxes	820,697	.12	698,370	.12
Grants in lieu of property taxes	742,907	.11	685,340	.12
Postage	126,921	.02	134,791	.02
Stationery	898,303	.13	718,910	.12
Telephone and telegraph	280,449	.04	238,710	.04
Packing material	1,210,966	.18	691,770	.12
Freight	20,252	.00	13,991	.00
Discounts	63,919	.01	63,953	.01
N.A.T.O. discounts	98,531	.01	103,174	.02
Agency commissions	392,539	.06	349,101	.06
Agency expenses	54,826	.01	62,185	.01
Breakages	246,666	.04	189,623	.03
Sundries	440,066	.06	407,298	.07
Travelling	850,177	.13	594,360	.10
Car and truck expenses	17,040	.00	9,157	.00
Data processing equipment rental and supplies	463,541	.07	327,564	.05
Exchange	16,308	.00	26,601	.00
Store services expense	221,103	.03	262,344	.04
Ontario Provincial Police – reimbursement of certain administrative and enforcement expenses	369,601	.05	353,608	.06
Store stock losses	254,604	.04	164,386	.03
Store security service	306,166	.04	112,280	.02
Fixed assets written off	4,493,010	.67	4,036,539	.68
	<u>71,686,605</u>	<u>10.50</u>	<u>59,492,889</u>	<u>10.01</u>

#### 4. OTHER REVENUE

This includes revenue of the Liquor Licence Board of Ontario and is as follows:

	1975	1974
	\$	\$
Brewers' licence fees	13,500	19,500
Brewery store and brewers' retail store licence fees	203,800	274,600
Gallonage fees on beer production – Ontario breweries	50,013,388	51,845,856
Gallonage fees on beer sales – Extra – Provincial Breweries	3,270,767	3,386,799
Licence fees – The Liquor Licence Act	12,231,281	11,334,669
Ontario wine licence fees	975,342	1,197,339
Special occasion permit fees	1,880,030	1,858,175
Special occasion permit purchase fees	3,076,148	2,730,645
Transfer fees	1,801,601	1,799,398
Interest on bank balances	66,816	176,327
Miscellaneous income	460,365	368,312
	<u>73,993,038</u>	<u>74,991,620</u>

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Government  
Publications

# 50<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1975  
to MARCH 31st, 1976



Ontario



# 50<sup>th</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1975  
to MARCH 31st, 1976





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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario M5E 1A4,  
December 1, 1976.

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U.,  
The Lieutenant Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

In accordance with Section 7 of The Liquor Control Act, 1975, I have the honour to submit herewith the fiftieth report of the Liquor Control Board of Ontario. The Liquor Control Act, 1975, was proclaimed on January 2, 1976 at which time the Act under which the Board operated during the first nine months of the fiscal year was repealed.

For the period under review, the Board continued to discharge its responsibilities under both Acts, with particular emphasis to the proper control and efficient distribution of the products of the distilleries, wineries and breweries.

A total of twenty-five new stores and one agency store were opened during the year to provide better service to the purchasing public. Also, consistent with the Board's policy to maintain its properties in excellent condition and to provide modern facilities, six stores were relocated during the year and 29 stores converted to self-service. Of the 560 stores in operation during the year, 247 were self-service.

Sales through the 560 stores and 61 agency stores exceeded 766 millions of dollars, an increase of 12.3% over the previous year, while profits payable to the Treasurer rose from 309 to 331 millions of dollars. Other revenues exceeding 77 millions of dollars, in the main, represented fees collected from the brewers and licenced establishments and revenue from the sale of Special Occasion Permits.

Under the new Liquor Licence Act, 1975, this revenue will be remitted separately to the Consolidated Revenue Fund.

Administration and operating expenses of the Board, including Head Office, Warehouses and Stores, but excluding the expenses of the Liquor Licence Board amounted to \$78,650,674 or 10.25% of sales.

In cooperation with the Anti-Inflation Act, the Liquor Control Board has become subject to controls on compensation and is cooperating with our suppliers to assist them in complying with the requirements of the Act.

It is obvious that my predecessor, G. Kitching succeeded well in his efforts to maintain an organization devoted to efficiency and courteous service. Since assuming office as Chairman on April 1, 1976, it is evident to me that Mr. R. J. Harris, Deputy Chairman, the Canon A. Walter Downer, Mr. J. S. Abra, General Manager, the Board's Executives and Staff all warrant an acknowledgment for the help and cooperation provided to him.

I have the honour to be Madam,

Your Obedient Servant,

WILLIAM BOSWORTH,  
Chairman.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$767,541,966. Sales in Ontario, of Canadian wine made direct to customers from licenced retail wine stores and wineries, amounted to \$11,232,328. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$429,376,249.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months.

## Sales by Value

	Twelve Months Ending March 31, 1976	Twelve Months Ending March 31, 1975	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$486,757,449	\$443,718,347	\$43,039,102
Imported Spirits	117,647,472	103,502,214	14,145,258
Canadian Wines	50,076,197	45,359,090	4,717,107
Imported Wines	78,712,790	64,497,535	14,215,255
Canadian Beers	27,512,757	21,692,129	5,820,628
Imported Beers	6,835,301	4,489,139	2,346,162
<b>Total Sales by Board Stores</b>	<u>\$767,541,966</u>	<u>\$683,258,454</u>	<u>\$84,283,512</u>
<b>Sales by Ontario Wineries And Winery Stores</b>			
	<u>\$ 11,232,328</u>	<u>\$ 11,508,921</u>	<u>\$ 276,593 (dec)</u>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>			
	<u>\$429,376,249</u>	<u>\$396,051,038</u>	<u>\$33,325,211</u>

# Sales by Gallons

	Twelve Months Ending March 31, 1976	Twelve Months Ending March 31, 1975	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	12,658,465	12,524,425	134,040
Imported Spirits	2,624,179	2,487,481	136,698
Canadian Wines	4,482,247	4,402,656	79,591
Imported Wines	4,649,954	3,925,426	724,528
Canadian Beers	7,055,813	6,951,830	103,983
Imported Beers	983,547	682,599	300,948
<b>Total Sales by Board Stores</b>	<u>32,454,205</u>	<u>30,974,417</u>	<u>1,479,788</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,040,506</u>	<u>1,186,248</u>	<u>145,742 (de</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>149,977,732</u>	<u>148,479,527</u>	<u>1,498,205</u>

Revenue payments totalling \$756,347,076 were received by the Treasurer of Ontario and the Government of Canada as a result of levies on beverage alcohol sold in Ontario during the year. In addition the Board paid \$1,879,163 to the Ontario municipalities as grants in lieu of realty and business taxes. These amounts are exclusive of corporation, realty and business taxes paid to these Governments and municipalities by the distilleries, wineries, breweries and licence holders. Ontario retail stores tax collected by licence holders and agency stores on their sales of beverage alcohol is also excluded.

A summary of the aforementioned revenue payments follows:

## Treasurer of Ontario

Remitted by the Board –

On account of profits, licence fees, etc. \$333,500,000

Ontario Retail Sales Tax on sales through  
liquor stores

68,141,723

401,641,723

Remitted by others –

Ontario Retail Sales Tax on sales through  
retail wine stores and brewers' retail stores

33,569,303

\$435,211,026

## Government of Canada

Paid by the Board –

Customs and Excise Duties 180,816,625



Federal Sales Tax on spirits, wines and  
Imported beers

41,968,475

222,785,100

Paid by others –		
Malt duties and taxes on domestic beers and wines	<u>98,350,950</u>	\$321,136,050
		\$756,347,076
<b>Ontario Municipalities</b>		
Paid by the Board –		
Grants in lieu of realty and business taxes		\$ 1,879,163
		<u>\$758,226,239</u>

## Sales by Breweries to Other Provinces and Countries

	<u>1972 Gallons</u>	<u>1973 Gallons</u>	<u>1974 Gallons</u>	<u>1975 Gallons</u>	 <u>1976 Gallons</u>
<b>Sales to other</b>					
Provinces	4,904,485	1,806,931	1,685,924	746,703	 420,100
Export Sales	<u>2,927,320</u>	<u>2,872,772</u>	<u>4,043,696</u>	<u>6,203,685</u>	<u>8,147,926</u>
	<u>7,831,805</u>	<u>4,679,703</u>	<u>5,729,620</u>	<u>6,950,388</u>	<u>8,568,026</u>

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## Wineries

During the year, Inniskillen House Wines Incorporated and Podamer Champagne Company were issued with Ontario Wine licences. This increased to ten the number of wineries in operation at March 31, 1976. The number of winery stores in operation remained at 51.

Three retail Wine stores were relocated during the year as follows:

T. G. Bright & Company Limited	– from Pen Centre, Glendale Avenue, St. Catharines to 159 St. Paul Street, St. Catharines
Jordan Wines Limited	– from 703 Ouellette Street, Windsor to 3100 Howard Avenue, Windsor
London Winery Limited	– from 83 King Street, West, Chatham to 1349 LaSalle Boulevard, Sudbury

## Sales by Wineries to Other Provinces and Countries

	1972 Gallons	1973 Gallons	1974 Gallons	1975 Gallons	1976 Gallons
Sales to other Provinces	4,129,763	4,315,648	4,031,620	4,035,073	3,360,683
Export Sales	38,401	59,266	48,919	33,783	27,188
	<u>4,168,164</u>	<u>4,374,914</u>	<u>4,080,539</u>	<u>4,068,856</u>	<u>3,387,871</u>

The tonnage of grapes and cherries used by the various wineries during the past five years was as follows:

	1972 Tons	1973 Tons	1974 Tons	1975 Tons	1976 Tons
Grapes used in the manufacture of wine	52,750	39,739	45,348	46,916	44,525
Grapes used in the manufacture of concentrate	5,286	434	1,358	2,058	268
Cherries used in the manufacture of wine	106	78	67	21	41
	<u>58,142</u>	<u>40,251</u>	<u>46,773</u>	<u>48,995</u>	<u>44,834</u>

## Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1976, was as follows:

Board Members	3	Legal	3
		Mail and Multigraph	9
Staffs of Departments		Personnel	20
Chief Commissioner	2	Planning and Development	3
General Manager	10	Product Administration	31
Accounting	62	Properties Management	24
Audit	54	Purchasing	3
Customs	7	Records Management	7
Data Processing	35	Stores	2,841
Distribution Depot	44	Store Operations	39
Garage	6	Traffic	12
Laboratory	11	Warehouses	206
			<u>3,432</u>

In addition there were 1,566 temporary or daily rate employees at March 31, 1976. Of this total 1,553 were employed in the stores.

# Board Stores

There were 560 Board stores in operation during the year which included the distribution depot in Toronto and a rare wines and spirits store which was opened in October, 1973.

Twenty-five self-serve stores were opened at the following locations:

April	1, 1975	5508 Lawrence Avenue East	Toronto
April	14, 1975	87 Front Street East	Toronto
April	21, 1975	12 Gower Street	Toronto
May	16, 1975	Highway 620 and Centre Street	Coe Hill
June	13, 1975	Major Mackenzie Drive and Netherford Road	Maple
July	17, 1975	43 Arthur Street, P.O. Box 179	Thornbury
August	5, 1975	80 King Street	St. Catharines
August	27, 1975	960 Brookdale Avenue	Cornwall
August	30, 1975	1158 Dundas Street East	Mississauga
September	2, 1975	1586 Huron Church Road	Windsor
September	15, 1975	Turnberry Street, P.O. Box 279	Brussels
October	1, 1975	Church Street, General Delivery	Orono
October	23, 1975	1005 Ottawa Street North	Kitchener
November	7, 1975	3076 Don Mills Road East	Toronto
November	7, 1975	3169 Yonge Street	Toronto
November	26, 1975	686 Queenston Road	Hamilton
November	29, 1975	181 Bank Street	Ottawa
December	16, 1975	Caesar Road, P.O. Box 190	Belmont
December	31, 1975	Highway 21 and Main Street	Bayfield
January	19, 1976	409 Highland Road West	Kitchener
January	31, 1976	1695 Main Street West	Hamilton
February	27, 1976	Morin Street, P.O. Box 147	Field
March	5, 1976	25 The West Mall	Etobicoke
March	15, 1976	2 Beaverton Road	Kanata
March	17, 1976	6222 Yonge Street	Toronto

The following six stores were relocated and converted to a self-serve operation during the year.

Store	From	To
110	428 Wallace Street	60 McNaughton Avenue, Wallaceburg
136	Main Street North	South Street, Minden
230	613 Ottawa Street	202, 10th Street, Keewatin
258	Arthur Street	Spragge and Queen Streets, Manitowaning
280	Elk Lake Post Office	First and Elk Streets, Elk Lake
468	Ward and Colborne Street	Ward Street, Bridgenorth

The trailer stores in Newcastle, St. Charles and Walkerton were relocated to permanent buildings. In addition, twenty-nine stores were converted to self-serve at their present locations. This is in keeping with the Board's policy of establishing new outlets, relocations and renovations to self-service wherever possible.

At March 31, 1976 there were 247 self-stores in operation.

# Agency Stores

One new agency store was opened during the year at the following location:

January 2, 1976      Batchawana

In addition, one agency was closed and three others changed ownership. The original agency numbers were reassigned to the new owners. There were 61 agency stores in operation at March 31, 1976.

# Breweries and Brewers' Retail Stores

There were eleven Breweries located in Ontario, two in Quebec and two in Manitoba that were licenced to sell their products in Ontario.

One new Brewers' Retail Store was opened during the year at the following location:

March 15, 1976      417 Edward Street North, Thunder Bay

On June 16, 1975, the Brewers' Retail Store at Dufferin and Selkirk Streets in Wallaceburg was relocated to County Fair Mall, 64 McNaughton Avenue, Wallaceburg.

Four Brewers' Retail Stores were closed during this period, reducing the number in operation at March 31, 1976 to 413 stores.

# Permits

Under the new acts, which became effective on January 2, 1976, the responsibility for the Permit Department was transferred to the Liquor Licence Board. However, since most licences and permits are issued at the commencement of the fiscal year, the activities of the department have been included in our report.

A classification of permits and licences issued during the year follows:

## PERMITS 1975 – 1976

Physicians	24
Druggists	70
Dentists and Veterinarians	55
Mechanical and Scientific	308 (160 Free)
Manufacturers	133
Kitchen	81
Hospitals	303 (Free)
First Aid	25 (Free)
Hospitality	32
Special	9 (Free)

## LICENCES 1975 – 1976

Breweries	8
Wineries	10
Sacramental Wine Vendorships	14
Non-potable alcohol, Storage Warehouses	1

# Financial Statements

Current Assets totalling \$82,563,859 consisted of the following:

Accounts Receivable: Licence holder fees, beer levies, winery fees, freight claims, hospital charge sales etc.	\$ 8,397,820
Inventories of liquors, supplies and equipment	73,738,668
Prepaid charges for Insurance, taxes etc.	427,371
	<u>\$82,563,859</u>

Included in inventories of liquors, supplies and equipment is prepaid merchandise for future delivery amounting to \$1,389,313, and supplies and equipment valued at \$710,775.

Mortgage receivable \$14,102 represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building and trailer, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 213 store sites on which completed stores are located; 18 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot. The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$2,771,541 have been charged against income.

The accumulations of reserve for depreciation have been increased by \$1,573,034, representing the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to leased premises.

Current liabilities of the Board totalled \$49,306,015 and consisted of bank overdrafts, accounts payable for liquors and supplies, accrued charges, deposits, deferred licence fees and licences etc.

The statement of income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$767,541,966.

The same statement shows a gross trading profit of \$334,763,291 and other revenue of \$77,105,465 consisting of levies on brewers and wine manufacturers and their products, licence holders' fees, permit sales, transfer fees and miscellaneous income. Expenses for the year totalled \$80,195,048 consisting of administrative and operating expenses (including \$2,869,777 incurred by the Liquor Licence Board for the nine month period ending December 31, 1975) and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the statement of retained income is \$331,673,708. After payment to the Treasurer of Ontario of \$333,500,000 on account of profits, a balance of \$33,272,447 remained in retained income.

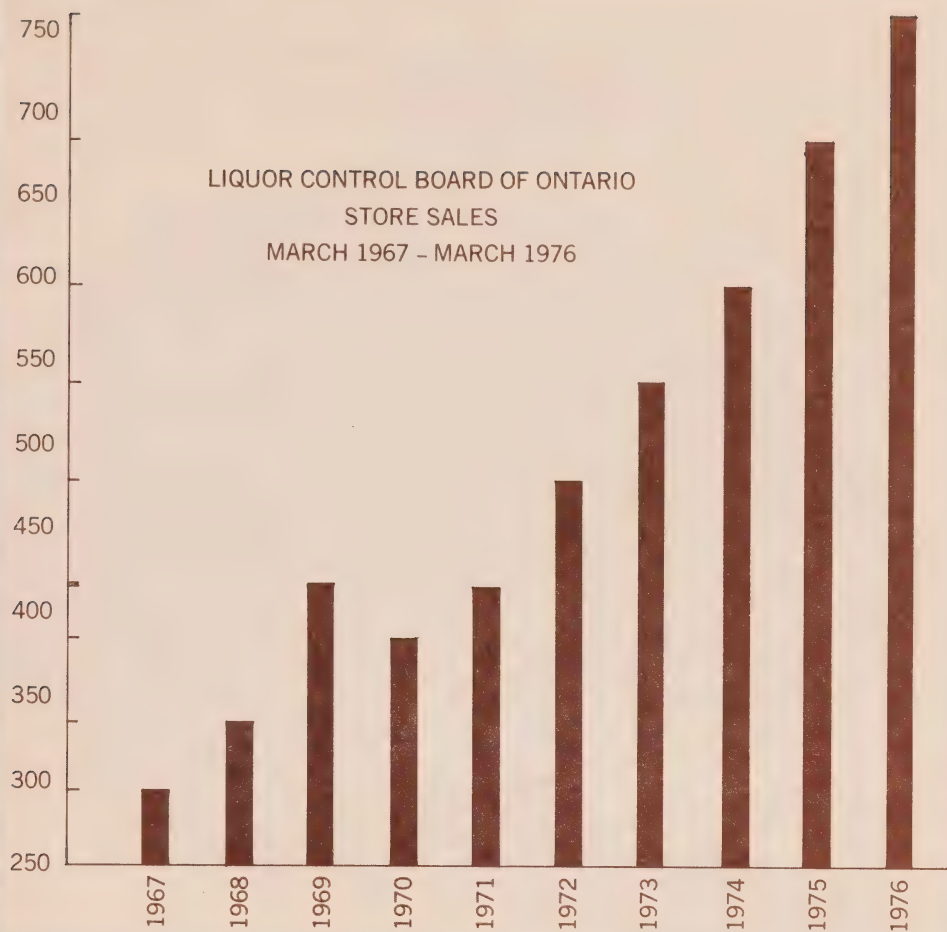
For comparative purposes the figures and percentages to sales are given for the twelve month period reported upon herein and the preceding fiscal year.

The statement of changes in financial condition summarizes how the working capital was made available and disbursed during the year.

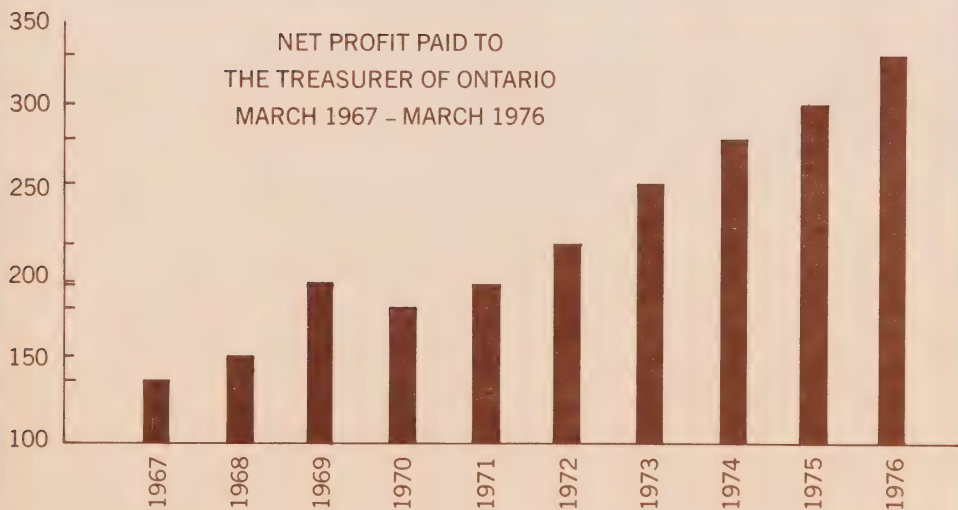
In addition, a statement showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

The statement of administration and operation includes a total of \$596,717 for miscellaneous other expenses and a total of \$256,812 for store services. Of these amounts, a total of \$218,901 represents expenses paid from the stores' and warehouses' petty cash.

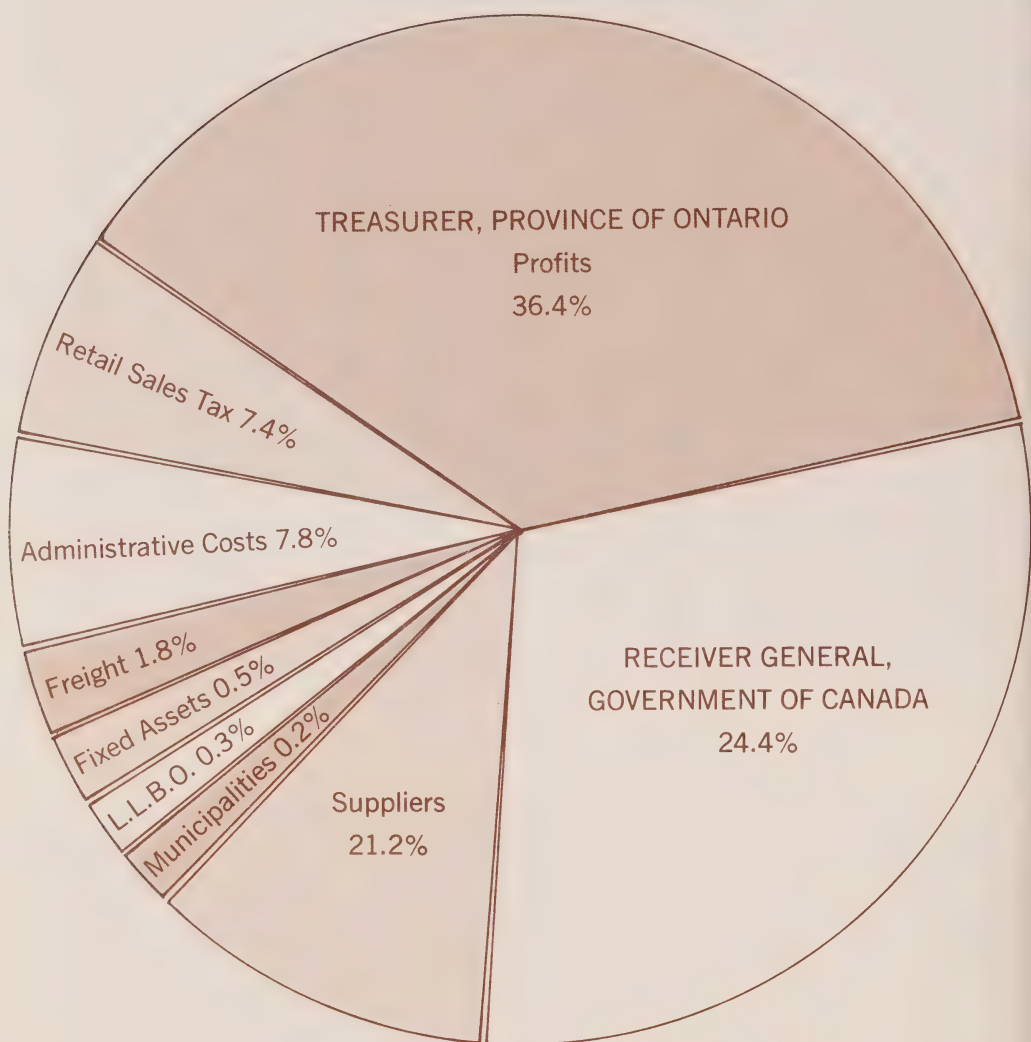
LIQUOR CONTROL BOARD OF ONTARIO  
STORE SALES  
MARCH 1967 - MARCH 1976



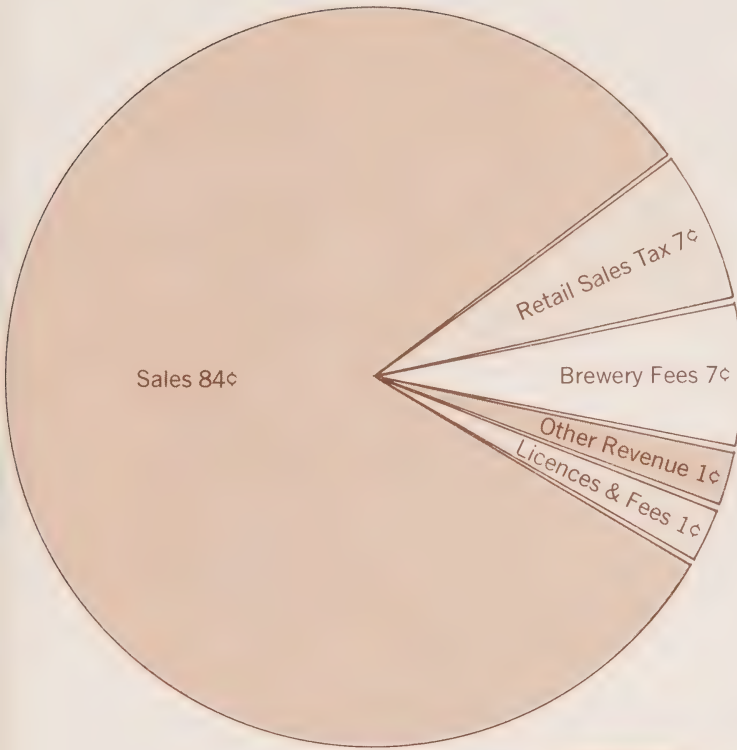
NET PROFIT PAID TO  
THE TREASURER OF ONTARIO  
MARCH 1967 - MARCH 1976



LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1975-1976

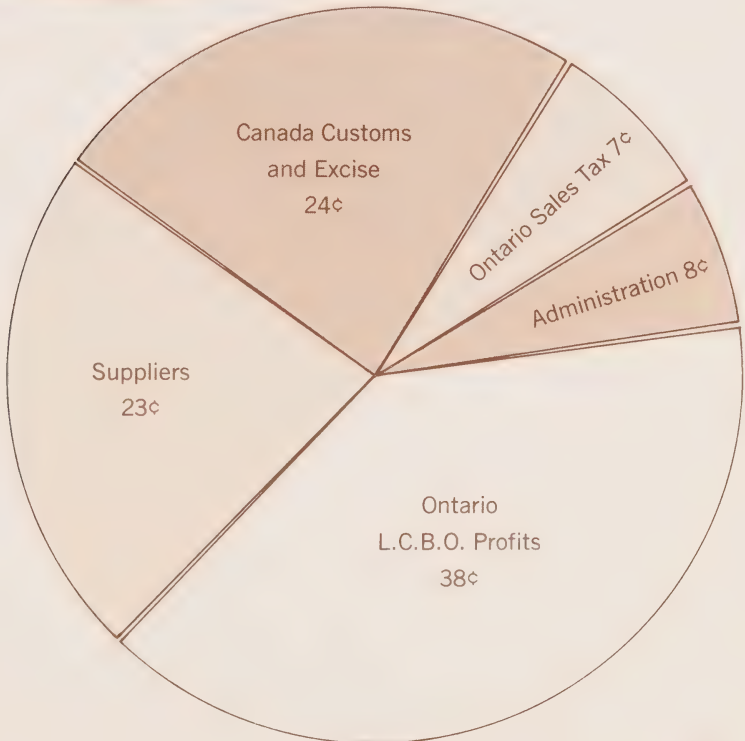


THE L.C.B.O. DOLLAR  
1975-1976



Where it comes from

How it is spent



Balance Sheet

March 31, 1976

ASSETS

	1976	1975
	\$	\$
Current		
Cash	-	2,152,00
Accounts receivable	8,397,820	4,932,30
Inventories, at cost	73,738,668	60,044,65
Prepaid expenses	427,371	417,06
	<u>82,563,859</u>	<u>67,546,02</u>
Mortgage receivable	14,102	16,71
Fixed, at cost (note 2)	67,323,976	63,249,87
Less: amounts written off	<u>67,323,475</u>	<u>63,249,38</u>
	501	48
	<u>82,578,462</u>	<u>67,563,22</u>

See accompanying notes to financial statements.

Approved:

J. S. ABRA  
General Manager

F. A. MACINNIS  
Deputy General Manager

## LIABILITIES

	1976	1975
	\$	\$
<b>Current</b>		
Bank overdraft	587,893	—
Accounts payable and accrued expenses	48,717,576	32,306,536
Deferred revenue	546	157,954
	<u>49,306,015</u>	<u>32,464,490</u>
<b>Retained income</b>	33,272,447	35,098,739
	<u>82,578,462</u>	<u>67,563,229</u>

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1976 and the statements of income, retained income and changes in financial position for the year ended on that date. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board as at March 31, 1976 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles which, except for changes resulting from new legislation as referred to in note 1 to the financial statements, have been applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,  
September 22, 1976.

F. N. SCOTT, C.A.,  
Provincial Auditor.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Income

Year Ended March 31, 1976

	1976	1975
	\$	\$
Sales	767,541,966	683,258,450
Cost of sales	432,778,675	376,701,140
Gross income	334,763,291	306,557,310
Operating expenses (notes 1 and 3)	80,195,048	71,686,600
Operating income	254,568,243	234,870,710
Other revenue (notes 1 and 4)	77,105,465	73,993,030
Net income for the year	331,673,708	308,863,740

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Retained Income

Year ended March 31, 1976

	1976	1975
	\$	\$
Balance at beginning of year	35,098,739	26,384,990
Add:		
Net income for the year	331,673,708	308,863,740
Transfer of Reserves		
Contingencies	-	500,000
Insurance	-	1,000,000
	331,673,708	310,363,740
Deduct:		
Payments to the Treasurer of Ontario on account of net income	333,500,000	301,650,000
Balance at end of year	33,272,447	35,098,730

See accompanying notes to financial statements.

# Statement of Changes in Financial Position

Year Ended March 31, 1976

	1976	1975
	\$	\$
<b>Source of working capital</b>		
Net income for the year	331,673,708	308,863,745
Item not requiring an outlay of funds –		
Fixed assets written off	4,344,575	4,493,010
Decrease in mortgage receivable	2,613	2,453
	<u>336,020,896</u>	<u>313,359,208</u>
<b>Application of working capital</b>		
Investment in fixed assets	4,344,590	4,493,041
Payments to Treasurer of Ontario		
on account of net income	333,500,000	301,650,000
	<u>337,844,590</u>	<u>306,143,041</u>
Increase (decrease) in working capital	(1,823,694)	7,216,167
Working capital at beginning of year	<u>35,081,538</u>	<u>27,865,371</u>
Working capital at end of year	<u>33,257,844</u>	<u>35,081,538</u>

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

# Notes to Financial Statements

March 31, 1976

1. NEW LEGISLATION

The Liquor Control Act, 1975 and The Liquor Licence Act, 1975 came into force on January 2, 1976. Prior thereto, all revenues and expenses of the Liquor Licence Board of Ontario were recorded by and included in the financial statements of the Liquor Control Board of Ontario.

Commencing January 1976, pursuant to the above legislation, revenues of the Liquor Licence Board are paid to the Treasurer of Ontario. Expenses of the Liquor Licence Board were paid out of the Consolidated Revenue Fund until April 1, 1976, and thereafter out of moneys appropriated therefor by the Legislature.

Accordingly, the accompanying statement of income does not include such revenue and expenses, amounting to \$3,046,439 and \$1,325,403 respectively, for the three months ended March 31, 1976.

2. FIXED ASSETS

It is the policy of the Board to carry each parcel of land and each building on its books at the nominal value of \$1.00. The total of furniture and equipment in current use and leasehold improvements is carried on the books at the nominal value of \$1.00. All asset costs in excess of these nominal values are written off in the year of acquisition.

The cost at year-end of fixed assets is as follows:

	1976	1975
	\$	\$
Land	8,374,692	8,274,779
Buildings	42,341,458	39,699,242
Furniture and equipment	9,930,790	9,210,780
Leasehold improvements	6,677,036	6,065,070
	<u>67,323,976</u>	<u>63,249,871</u>

Details of fixed assets written off during the year are as follows:

	1976	1975
	\$	\$
Land	103,944	189,711
Buildings	2,667,597	2,505,586
Furniture and equipment	925,094	969,704
Leasehold improvements	647,940	828,009
	<u>4,344,575</u>	<u>4,493,010</u>

### 3. OPERATING EXPENSES

The total includes expenses of the Liquor Licence Board of Ontario for the nine months ended December 31, 1975.

	1976		1975	
	\$	% of sales	\$	% of sales
Salaries	54,399,506	7.09	47,481,422	6.95
Superannuation	2,211,349	.29	1,899,539	.28
Canada pension plan	585,043	.08	508,433	.07
Superannuation adjustment	118,101	.01	-	-
Employees' insurance and health plans	1,502,478	.20	1,198,108	.18
Workmen's Compensation and unemployment insurance	838,598	.11	625,727	.09
Rent	5,442,044	.71	4,649,884	.68
Light, heat and power	1,344,412	.17	1,071,300	.16
Premises protection	76,899	.01	82,990	.01
Repairs and maintenance	1,854,710	.24	1,641,640	.24
Insurance	128,643	.02	138,970	.02
Grants in lieu of business taxes	1,010,561	.13	820,697	.12
Grants in lieu of property taxes	868,602	.11	742,907	.11
Postage	121,039	.02	126,921	.02
Stationery	876,743	.11	898,303	.13
Telephone and telegraph	297,642	.04	280,449	.04
Packing material	1,171,858	.15	1,210,966	.18
Freight	21,854	.00	20,252	.00
Discounts	66,803	.01	63,919	.01
N.A.T.O. discounts	86,085	.01	98,531	.01
Agency commissions	466,288	.06	392,539	.06
Agency expenses	61,977	.01	54,826	.01
Breakages	290,326	.04	246,666	.04
Sundries	596,717	.08	456,374	.06
Travelling	995,057	.13	850,177	.13
Car and truck expenses	10,875	.00	17,040	.00
Data processing equipment rental and supplies	366,899	.05	463,541	.07
Store services expense	256,812	.03	221,103	.03
Ontario Provincial Police – reimbursement of certain administrative and enforcement expenses	401,273	.05	369,601	.05
Store stock losses	343,418	.04	254,604	.04
Store security service	363,264	.05	306,166	.04
Fixed assets written off	4,344,575	.57	4,493,010	.67
	81,520,451	10.62	71,686,605	10.50
Less: LLB expenses recovered (note 1)	1,325,403	.17	-	-
	<u>80,195,048</u>	<u>10.45</u>	<u>71,686,605</u>	<u>10.50</u>

#### 4. OTHER REVENUE

This includes revenue of the Liquor Licence Board of Ontario for the nine months ended December 31, 1975.

Pursuant to the new legislation as described in note 1, the jurisdiction for the collection of gallonage fees was transferred to the Liquor Licence Board effective January 2, 1976. However, gallonage fees for the three months ended March 31, 1976, amounting to \$12,164,843, have been included in the records of the Liquor Control Board of Ontario.

	1976	1975
	\$	\$
Brewers' licence fees	12,000	13,500
Brewery store and brewers' retail store licence fees	163,100	203,800
Gallonage fees on beer production – Ontario breweries	55,904,743	50,013,388
Gallonage fees on beer sales – Extra – Provincial Breweries	4,082,846	3,270,767
Licence fees – The Liquor Licence Act	10,167,904	12,231,281
Ontario wine licence fees	30,692	975,342
Special occasion permit fees	1,410,005	1,880,030
Special occasion permit purchase fees	2,931,746	3,076,148
Transfer fees	1,718,279	1,801,601
Interest on bank balances	78,546	66,816
Miscellaneous income	605,604	460,365
	<u>77,105,465</u>	<u>73,993,038</u>

#### 5. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Board is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.

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# 51<sup>st</sup> REPORT

LIQUOR CONTROL BOARD  
OF ONTARIO

APRIL 1st, 1976  
to MARCH 31st, 1977



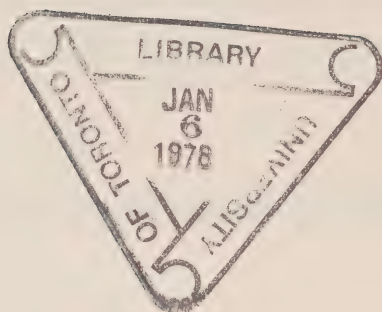


# 51<sup>st</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1976  
to MARCH 31st, 1977





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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario M5E 1A4,  
September 29, 1977.

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U., B.A.A.,  
The Lieutenant Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

The fifty-first report of the Liquor Control Board is submitted in accordance with the requirements of section 7 of The Liquor Control Act 1975. This report covers the fiscal year ended March 31, 1977 during which time the Board was responsible for the control and sale of products of distilleries, wineries and breweries in Ontario.

To satisfy a requirement of the 1976-77 Ontario Budget, the selling prices of all products listed by the Board were increased on April 20, 1976. This increase together with normal growth resulted in an increase in sales of \$89,965,359 and an increase in the net operating income from 33 to 35% of sales.

Under the Liquor Licence Act 1975 revenues, mainly representing fees collected from the brewers and licenced establishments as well as from Special Occasion Permits, were remitted separately to the Consolidated Revenue Fund. This explains the decrease in "Other Revenue", as shown in the statement of income.

In the interest of protecting the Ontario grape growing industry, the Board entered into a program to provide assistance to the Ontario wineries. The program included the accelerated distribution of Ontario wines to our retail outlets; a decrease in the Board's mark-up of these products; and a moratorium on the delisting of Ontario wines. These actions resulted in an overall sales increase of Ontario produced wines.

I would like to thank the permanent employees of the Board. Their work and support played an important part in the successful operation of the Board.

Special thanks are extended to Mr. R.J. Harris, Vice Chairman of the Board and to Board members, Mr. W. Austin, Mrs. R. Rounthwaite and Mr. J. Slade for their assistance. A warm tribute is also extended to Mr. F.A. MacInnis, General Manager, Mr. J.S. Abra, retiring General Manager, and all the executives of the Board for their achievements over the past year.

I have the honour to be Madam,

Your Obedient Servant,

William J. Bosworth,  
Chairman.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$857,507,325. Sales in Ontario, of Canadian wine made direct to customers from licenced retail wine stores and wineries, amounted to \$10,879,615. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$456,813,662.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months.

## Sales by Value

	Twelve Months Ending March 31, 1977	Twelve Months Ending March 31, 1976	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$533,091,226	\$486,757,449	\$46,333,777
Imported Spirits	133,620,462	117,647,472	15,972,990
Canadian Wines	54,085,873	50,076,197	4,009,676
Imported Wines	97,783,370	78,712,790	19,070,580
Canadian Beers	29,953,519	27,512,757	2,440,762
Imported Beers	8,972,875	6,835,301	2,137,574
<b>Total Sales by Board Stores</b>	<u>\$857,507,325</u>	<u>\$767,541,966</u>	<u>\$89,965,359</u>
<b>Sales by Ontario Wineries And Winery Stores</b>	<u>\$ 10,879,615</u>	<u>\$ 11,232,328</u>	<u>\$ (352,713)</u>
<b>Sales by Breweries and Brewers' Retail Stores</b> (exclusive of container value)	<u>\$456,813,662</u>	<u>\$429,376,249</u>	<u>\$27,437,413</u>

# Sales by Gallons

	Twelve Months Ending March 31, 1977	Twelve Months Ending March 31, 1976	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	13,270,340	12,658,465	611,875
Imported Spirits	2,798,086	2,624,179	173,907
Canadian Wines	4,883,308	4,482,247	401,061
Imported Wines	5,466,539	4,649,954	816,585
Canadian Beers	7,497,387	7,055,813	441,574
Imported Beers	1,104,582	983,547	121,035
<b>Total Sales by Board Stores</b>	<u>35,020,242</u>	<u>32,454,205</u>	<u>2,566,037</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,033,984</u>	<u>1,040,506</u>	<u>(6,522)</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>144,586,896</u>	<u>149,977,732</u>	<u>(5,390,836)</u>

Revenue payments totalling \$748,541,424 were received by the Treasurer of Ontario and the Government of Canada as a result of levies on beverage alcohol sold in Ontario during the year. In addition the Board paid \$2,059,784 to the Ontario municipalities as grants in lieu of realty and business taxes. These amounts are exclusive of corporation, realty and business taxes paid to these Governments and municipalities by the distilleries, wineries, breweries and licence holders. Ontario retail stores tax collected by licence holders and agency stores on their sales of beverage alcohol is also excluded.

A summary of the aforementioned revenue payments follows:

## Treasurer of Ontario

Remitted by the Board —

On account of profits, licence fees etc.	\$302,195,807
Ontario Retail Sales Tax on sales through liquor stores	<u>73,456,565</u>
	375,652,372

Remitted by others —

Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	<u>35,390,206</u>
--	-------------------

\$411,042,578

## Government of Canada

Paid by the Board —

Customs and Excise Duties	189,941,926
Federal Sales Tax on spirits, wines and Imported beers	<u>44,881,327</u>
	234,823,253

Paid by others —	
Malt duties and taxes on domestic beers and wines	<u>102,675,593</u>
	<u>\$337,498,846</u>
<b>Ontario Municipalities</b>	<u>\$748,541,424</u>
Paid by the Board —	
Grants in lieu of realty and business taxes	<u>\$ 2,059,784</u>
	<u><u>\$750,601,208</u></u>

## Sales by Breweries to Other Provinces and Countries

Sales to other	1973 Gallons	1974 Gallons	1975 Gallons	1976 Gallons	1977 Gallons
Provinces	1,806,931	1,685,924	746,703	420,100	134,536
Export Sales	<u>2,872,772</u>	<u>4,043,696</u>	<u>6,203,685</u>	<u>8,147,926</u>	<u>10,383,157</u>
	<u>4,679,703</u>	<u>5,729,620</u>	<u>6,950,388</u>	<u>8,568,026</u>	<u>10,517,693</u>

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## Wineries

On June 1, 1976, Chateau Cartier Wines Limited and Chateau Gai Wines Limited amalgamated to become Chateau Gai Wines Limited. This decreased to nine the number of wineries in operation at March 31, 1977. The number of Winery stores in operation increased to 53 after Andres Wines Limited and Inniskillen House Wines Incorporated were permitted to open a retail outlet in their plant premises.

Six retail Wine stores were relocated during the year as follows:

Barnes Wines Limited	- from 118 Main Street East, North Bay to 300 Lakeshore Drive, North Bay
T.G. Bright & Company Limited	- from 113 Rideau Street, Ottawa to 62 William Street, Ottawa
Chateau-Gai Wines Limited	- from 306 St. Paul Street, St. Catharines to 84 Lynden Road, Brantford from 6410 Yonge Street, Toronto to 9350 Yonge Street, Richmond Hill from 878 Yonge Street, Toronto to 2900 Warden Avenue, Toronto
Jordan and St. Michelle Cellars Limited	- from 939 Lawrence Avenue East, Toronto to 4841 Yonge Street Toronto

## Sales by Wineries to Other Provinces and Countries

	1973 Gallons	1974 Gallons	1975 Gallons	1976 Gallons	1977 Gallons
Sales to other Provinces	4,315,648	4,031,620	4,035,073	3,360,683	3,124,471
Export Sales	59,266	48,919	33,783	27,188	22,995
	<u>4,374,914</u>	<u>4,080,539</u>	<u>4,068,856</u>	<u>3,387,871</u>	<u>3,147,466</u>

The tonnage of grapes and cherries used by the various Ontario wineries during the past five years was as follows:

	1973 Tons	1974 Tons	1975 Tons	1976 Tons	1977 Tons
Grapes used in the manufacture of wine	39,739	45,348	46,916	44,525	42,850
Grapes used in the manufacture of concentrate	434	1,358	2,058	268	492
Cherries used in the manufacture of wine	<u>78</u>	<u>67</u>	<u>21</u>	<u>41</u>	<u>48</u>
	<u>40,251</u>	<u>46,773</u>	<u>48,995</u>	<u>44,834</u>	<u>43,390</u>

## Personnel

The number of Board Members and permanent employees of the various departments of the Board was at March 31, 1977, was as follows:

Board Members	5	Legal	3
		Mail and Multigraph	7
Staffs of Departments		Personnel	21
Chairman's Office	1	Planning and Development	4
General Manager	10	Product Administration	26
Accounting	62	Properties Management	24
Audit	54	Purchasing	4
Customs	8	Records Management	7
Data Processing	37	Stores	2,797
Distribution Depot	61	Store Operations	40
Garage	5	Traffic	12
Laboratory	11	Warehouses	301
			3,507

In addition there were 1,812 temporary or daily rate employees at March 31, 1977. Of this total 1,750 were employed in the stores.

# Board Stores

There were 575 Board stores in operation during the year which included the distribution depot in Toronto, two duty free stores at Toronto International Airport and a Rare Wines and Spirits store.

Fifteen self-serve stores were opened at the following locations:

April	9, 1976	747 Don Mills Road	Toronto
April	12, 1976	Highway 35 and 60, P.O. Box 110	Dwight
May	28, 1976	John Street, P.O. Box 119	Victoria Harbour
June	3, 1976	93 Main Street West	Norwich
* June	19, 1976	Queen's Crescent, Queen's University	Kingston
June	25, 1976	300 King George Road	Brantford
June	25, 1976	General Delivery	Buckhorn
August	6, 1976	25 Cameron Street, East	Cannington
September	9, 1976	Goderich and Trunk Road, P.O. Box 340	Spanish
September	17, 1976	2946 Finch Avenue, East	Toronto
October	18, 1976	555 Rossland Road	Oshawa
November	27, 1976	3350 Fairview Mall	Burlington
December	13, 1976	Highway 21 North, P.O. Box 188	Thamesville
February	10, 1977	1 Dundas Street, West	Toronto
February	15, 1977	Kovel Street	Pickle Lake

\* This store was a temporary outlet to accommodate the Olympics and was closed on July 31, 1976.

The following six stores were relocated and converted to a self-serve operations during the year.

Store	From	To
26	126 Dundas Street East	126 York Street, London
49	317 Pitt Street	317 Pitt Street, Cornwall
106	7 Minerva Street East	Huntsville Shopping Centre, Huntsville
191	536 Albert Street West	172 James Street, Sault Ste. Marie
221	210 Queen Street	135 Perry Street, Port Perry
254	King Street	Centre Street, Millbrook

The stores in Haliburton, Hagersville, Stroud and Sydenham ceased to operate as combination stores. Trailer stores located at Maynooth and Goulais River were relocated to permanent buildings. In addition thirty-eight were converted to self-serve at their present locations. This is in keeping with the Board's policy of establishing new outlets, relocations and renovations to self-serve wherever possible.

At March 31, 1977 there were 304 self-serve stores in operation.

# Agency Stores

During the year, five agency stores changed ownership and four agency stores surrendered their licences. Two of these stores were later reopened to bring to 59 the number of agency stores in operation at March 31, 1977.

# Breweries and Brewers' Retail Stores

Six new Brewers' Retail stores were opened during the year at the following locations:

May	5, 1976	747 Don Mills Road	Toronto
June	23, 1976	Highway 121, P.O. Box 700	Haliburton
September	24, 1976	2934 Finch Avenue East	Toronto
October	12, 1976	55 Main Street North	Hagersville
November	23, 1976	Highway 11 and Glenn Avenue	Stroud
December	2, 1976	General Delivery	Sydenham

On January 6, 1977, the Brewers Retail Store at 56 Dover Street in Chatham was relocated to 441 St. Clair Street in Chatham.

There were 419 retail stores in operation at March 31, 1977.

# Financial Statements

Current Assets totalling \$82,708,919 consisted of the following:

Cash on Hand and in Banks	\$ 8,416,804
Accounts Receivable: Licence holder fees, winery fees, freight claims, hospital charge sales etc.	1,637,045
Inventories of liquors, supplies and equipment	72,301,049
Prepaid charges for Insurance, taxes etc.	<u>354,021</u>
	<u><u>\$82,708,919</u></u>

Included in inventories of liquors, supplies and equipment is prepaid merchandise for future delivery amounting to \$674,707 and supplies and equipment valued on \$681,800.

Mortgage receivable \$11,346 represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building and trailer, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police: land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 218 store sites on which completed stores are located; 27 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot.

The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$3,036,986 have been charged against income.

The accumulations of reserve for depreciation have been increased by \$1,883,945 which represents the purchases, less disposals of furniture, fixtures, machinery, equipment and alterations to leased premises.

Current liabilities of the Board totalled \$42,857,653 and consisted of trade accounts payable and accrued charges.

The statement of income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$857,507,325.

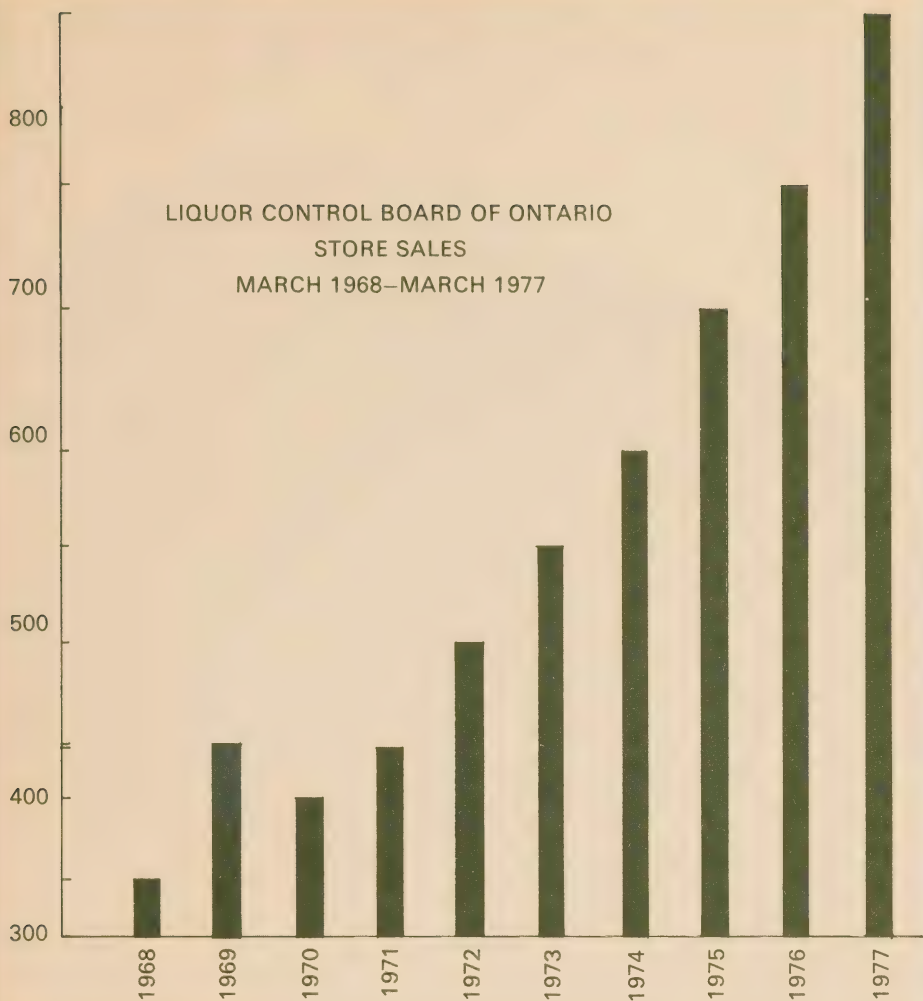
The same statement shows a gross trading profit of \$395,897,775 and other miscellaneous revenue of \$3,423,774. Expenses for the year totalled \$90,535,055 consisting of administrative and operating expenses and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the statement of retained income is \$308,786,494. After payment to the Treasurer of Ontario of \$302,195,807 on account of profits, a balance of \$39,863,134 remained in retained income.

For comparative purposes the figures and percentages to sales are given for the twelve month period reported upon herein and the preceding fiscal year.

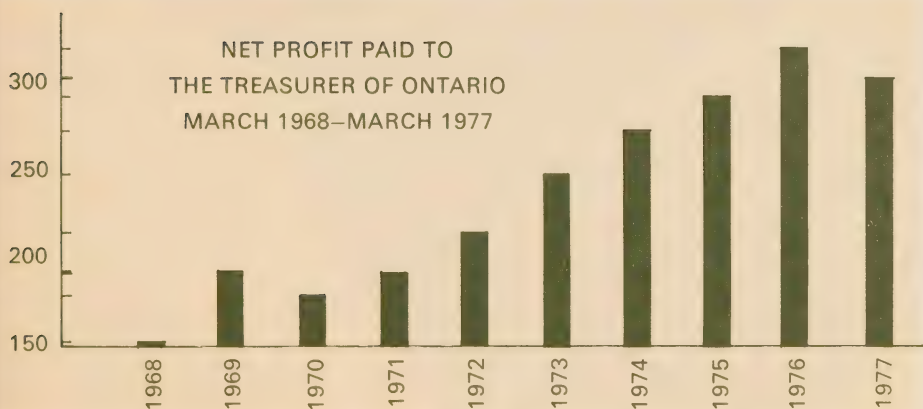
The statement of changes in financial position summarizes how the working capital was made available and disbursed during the year.

In addition, a schedule showing the expenses of administration and operation for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.

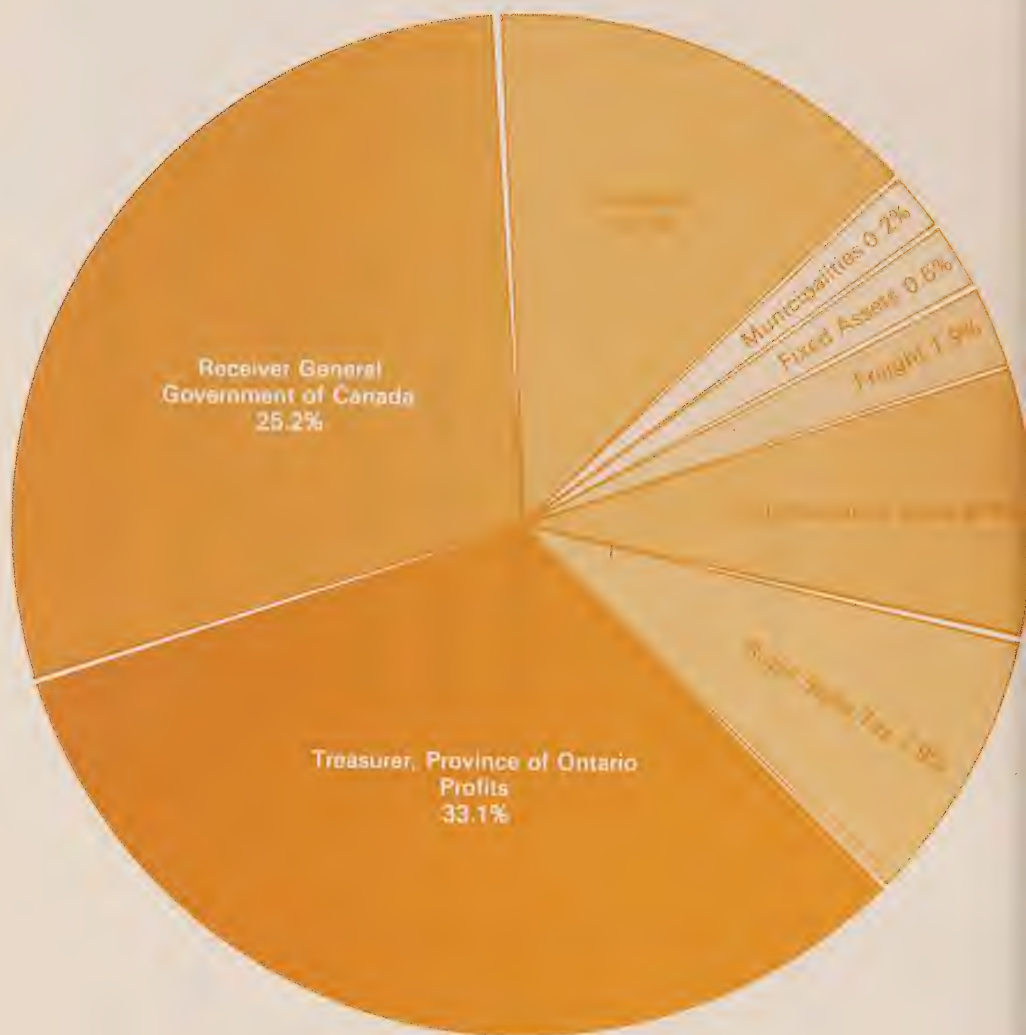
LIQUOR CONTROL BOARD OF ONTARIO  
STORE SALES  
MARCH 1968–MARCH 1977



NET PROFIT PAID TO  
THE TREASURER OF ONTARIO  
MARCH 1968–MARCH 1977

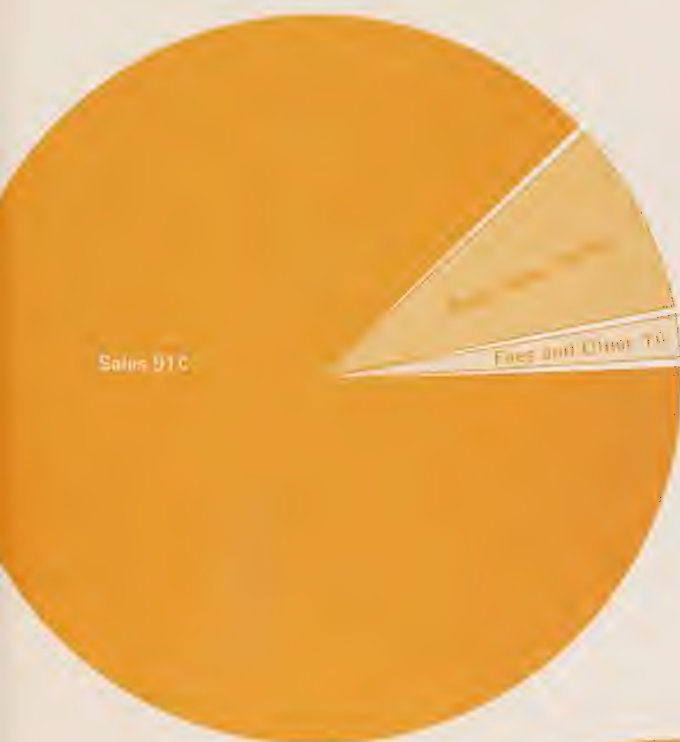


LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1976-1977



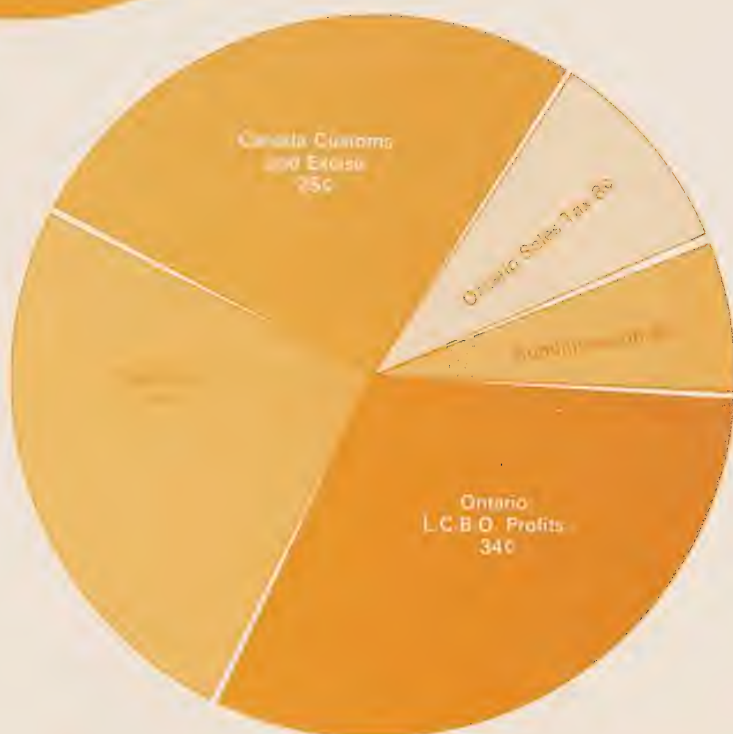
# THE L.C.B.O. DOLLAR

1976-1977



Where it comes from

How it is spent



LIQUOR CONTROL BOARD OF ONTARIO

# Balance Sheet

March 31, 1977

## ASSETS

	<u>1977</u>	<u>1976</u>
	\$	\$
<b>Current</b>		
Cash	8,416,804	—
Accounts receivable	1,637,045	8,397,820
Inventories, at cost	72,301,049	73,738,668
Prepaid expenses	<u>354,021</u>	<u>427,371</u>
	82,708,919	82,563,859
 <b>Mortgage receivable</b>	 <u>11,346</u>	 <u>14,102</u>
 <b>Fixed, at cost (note 2)</b>	 71,967,064	 67,323,976
Less: amounts written off	<u>71,966,542</u>	<u>67,323,475</u>
	522	501
	<u><u>82,720,787</u></u>	<u><u>82,578,462</u></u>

See accompanying notes to financial statements.

Approved:

W.J. BOSWORTH  
Chairman

F.A. MACINNIS  
General Manager

## LIABILITIES

	<u>1977</u>	<u>1976</u>
	\$	\$
<b>Current</b>		
Bank overdraft	—	587,893
Accounts payable and accrued expenses	<u>42,857,653</u>	<u>48,718,122</u>
	<u>42,857,653</u>	<u>49,306,015</u>
 <b>Retained income</b>	 <u>39,863,134</u>	 <u>33,272,447</u>
	 <u><u>82,720,787</u></u>	 <u><u>82,578,462</u></u>

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1977 and the statements of income, retained income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at March 31, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles which, except for changes resulting from new legislation as referred to in note 1 to the financial statements, have been applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,  
August 4, 1977.

F.N. SCOTT, C.A.,  
Provincial Auditor.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Income

Year Ended March 31, 1977

	1977	1976
	\$	\$
Sales	857,507,325	767,541,966
Cost of sales	461,609,550	432,778,675
Gross income	395,897,775	334,763,291
Operating expenses (notes 1 and 3)	90,535,055	80,195,048
Operating income	305,362,720	254,568,243
Other revenue (notes 1 and 4)	3,423,774	77,105,465
Net income for the year	308,786,494	331,673,708

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Retained Income

Year Ended March 31, 1977

	1977	1976
	\$	\$
Balance at beginning of year	33,272,447	35,098,739
Add:		
Net income for the year	308,786,494	331,673,708
	342,058,941	366,772,447
Deduct:		
Payments to the Treasurer of Ontario on account of net income	302,195,807	333,500,000
Balance at end of year	39,863,134	33,272,447

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

# Statement of Changes in Financial Position

Year Ended March 31, 1977

	1977 \$	1976 \$
<b>Source of working capital</b>		
Net income for the year	308,786,494	331,673,708
Item not requiring an outlay of funds —		
Fixed assets written off	4,920,930	4,344,575
Decrease in mortgage receivable	2,756	2,613
	<u>313,710,180</u>	<u>336,020,896</u>
<b>Application of working capital</b>		
Investment in fixed assets	4,920,951	4,344,590
Payments to Treasurer of Ontario on account of net income	302,195,807	333,500,000
	<u>307,116,758</u>	<u>337,844,590</u>
Increase (decrease) in working capital	6,593,422	(1,823,694)
Working capital at beginning of year	<u>33,257,844</u>	<u>35,081,538</u>
Working capital at end of year	<u><u>39,851,266</u></u>	<u><u>33,257,844</u></u>

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

Notes to Financial Statements

March 31, 1977

1. NEW LEGISLATION

The Liquor Control Act, 1975 and The Liquor Licence Act, 1975 came into force on January 2, 1976. Prior thereto, all revenues and expenses of the Liquor Licence Board of Ontario were recorded by and included in the financial statements of the Liquor Control Board of Ontario.

Commencing January 1976, pursuant to the above legislation, revenues of the Liquor Licence Board are paid to the Treasurer of Ontario. Expenses of the Liquor Licence Board are now paid out of moneys appropriated therefor by the Legislature.

Accordingly, comparative figures in the accompanying statement of income generally include revenue and expenses of the Liquor Licence Board of Ontario for the nine months ended December 31, 1975.

2. FIXED ASSETS

It is the policy of the Board to carry each parcel of land and each building on its books at the nominal value of \$1.00. The total of furniture and equipment in current use and leasehold improvements is carried on the books at the nominal value of \$1.00. All asset costs in excess of these nominal values are written off in the year of acquisition.

The cost at year-end of fixed assets is as follows:

	1977	1976
	\$	\$
Land	8,600,200	8,374,692
Buildings	45,115,577	42,341,458
Furniture and equipment	10,938,381	9,930,790
Leasehold improvements	7,312,906	6,677,036
	<u>71,967,064</u>	<u>67,323,976</u>

Details of fixed assets written off during the year are as follows:

	1977	1976
	\$	\$
Land	233,010	103,944
Buildings	2,803,976	2,667,597
Furniture and equipment	1,207,264	925,094
Leasehold improvements	676,681	647,940
	<u>4,920,931</u>	<u>4,344,575</u>

3. OPERATING EXPENSES

The comparative total includes expenses of the Liquor Licence Board of Ontario for the nine months ended December 31, 1975.

	1977		1976	
	\$	% of sales	\$	% of sales
Salaries and employee benefits	70,093,818	8.17	59,655,075	7.78
Rent	7,224,441	.84	5,442,044	.71
Repairs and maintenance	2,386,408	.28	1,854,710	.24
Grants in lieu of taxes	2,059,784	.24	1,879,163	.24
Utilities	1,705,489	.20	1,344,412	.17
Packing material	1,222,318	.14	1,171,858	.15
Stationery	1,033,416	.12	876,743	.11
Travelling	1,013,442	.12	995,057	.13
Stock breakage and losses	789,757	.09	633,744	.08
Agency commissions and expenses	569,343	.07	528,265	.07
Security services	483,027	.06	440,163	.06
Data processing equipment rental and supplies	477,990	.06	366,899	.05
Ontario Provincial Police – reimbursement of certain expenses	444,796	.05	401,273	.05
Telephone and telegraph	317,470	.04	297,642	.04
Other	1,404,912	.16	1,288,828	.17
Fixed assets written off	4,920,931	.57	4,344,575	.57
	96,147,342	11.21	81,520,451	10.62
Less: LLB expenses recovered (note 1)	5,612,287	.65	1,325,403	.17
	<u>90,535,055</u>	<u>10.56</u>	<u>80,195,048</u>	<u>10.45</u>

4. OTHER REVENUE

The comparative figures generally include revenue of the Liquor Licence Board of Ontario for the nine months ended December 31, 1975.

	<u>1977</u>	<u>1976</u>
	\$	\$
Brewers' licence fees	—	12,000
Brewery store and brewers' retail store licence fees	—	163,100
Gallongage fees on beer production — Ontario breweries	—	55,904,743
Gallongage fees on beer sales — Extra — Provincial Breweries	—	4,082,846
Licence fees — the Liquor Licence Act	—	10,167,904
Ontario wine licence fees	21,586	30,692
Special occasion permit fees	—	1,410,005
Special occasion permit purchase fees	2,746,025	2,931,746
Transfer fees	—	1,718,279
Interest on bank balances	173,509	78,546
Miscellaneous income	482,654	605,604
	<u>3,423,774</u>	<u>77,105,465</u>

5. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Board is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.

6. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1977 presentation.

# 52<sup>nd</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1977  
to MARCH 31st, 1978





# 52<sup>nd</sup> REPORT

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## LIQUOR CONTROL BOARD OF ONTARIO

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APRIL 1st, 1977  
to MARCH 31st, 1978

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# The Liquor Control Board of Ontario

55 Lake Shore Boulevard East,  
Toronto, Ontario M5E 1A4,  
September 29, 1978.

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U., B.A.A.,  
The Lieutenant Governor of the Province of Ontario,  
Parliament Buildings,  
Queen's Park,  
Toronto, Ontario.

May It Please Your Honour,

In accordance with Section 7 of The Liquor Control Act, 1975, I have the honour to submit herewith the fifty-second report of the Liquor Control Board of Ontario. This report covers the fiscal year ended March 31, 1978 during which time the Board was responsible for the control and sale of the products of distilleries, wineries and breweries in Ontario.

Sales through 586 stores and 63 agency stores exceeded 927 millions of dollars, an increase of 8.1% over the previous year, while profits payable to the Treasurer rose from 308 to 333 millions of dollars. Other revenues exceeding 3 millions of dollars, in the main, represented purchase permit fees collected from special occasion permit holders in lieu of Ontario Retail Sales Tax.

The Ontario Wine Assistance program which includes the accelerated distribution of wines to our retail outlets at reduced mark-ups continues to be a success. The sales of Ontario produced wines have again increased during the 1977-78 year.

During the year the Board strove to attain excellence in the selection of products at affordable prices in our attempt to accommodate the varied tastes of the public sector.

A sincere thanks is extended to the 3,569 permanent employees whose conscientious efforts have made an important contribution to the successful operation of the Board during the year. In particular Mr. R.J. Harris, Vice Chairman, and Mr. F.A. MacInnis, General Manager, and the officers of the Board all warrant special acknowledgement. Their cooperative efforts have allowed the Board to function smoothly throughout the year.

I would be remiss if I did not also mention the contributions of members, Mr. W.E. Austin, Mr. J.L. Slade and Ms. K.J. Anderson, whose fresh insights aided us in dealing successfully with our problems.

I have the honour to be Madam,

Your Obedient Servant,

William J. Bosworth,  
Chairman.

# Sales

The sales of spirits, wine and beer from liquor stores during the twelve months amounted to \$927,096,623. Sales in Ontario, of Canadian wine made direct to customers from licenced retail wine stores and wineries, amounted to \$11,400,179. The net value of beer sold in Ontario, from breweries and brewers' retail stores, exclusive of any charge for containers, totalled \$492,557,349.

The following comparative sales statistics are given for the fiscal period under review and also for the preceding twelve months.

## Sales by Value

	Twelve Months Ending March 31, 1978	Twelve Months Ending March 31, 1977	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$560,760,105	\$533,091,226	\$27,668,879
Imported Spirits	144,269,098	133,620,462	10,648,636
Canadian Wines	62,577,143	54,085,873	8,491,270
Imported Wines	117,685,776	97,783,370	19,902,406
Canadian Beers	31,070,284	29,953,519	1,116,765
Imported Beers	10,734,217	8,972,875	1,761,342
<b>Total Sales by Board Stores</b>	<u>\$927,096,623</u>	<u>\$857,507,325</u>	<u>\$69,589,298</u>
<b>Sales by Ontario Wineries And Winery Stores</b>	<u>\$ 11,400,179</u>	<u>\$ 10,879,615</u>	<u>\$ 520,564</u>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>	<u>\$492,557,349</u>	<u>\$456,813,662</u>	<u>\$35,743,687</u>

# Sales by Gallons

	Twelve Months Ending March 31, 1978	Twelve Months Ending March 31, 1977	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	13,425,004	13,270,340	154,664
Imported Spirits	2,825,742	2,798,086	27,656
Canadian Wines	5,544,583	4,883,308	661,275
Imported Wines	6,270,504	5,466,539	803,965
Canadian Beers	7,610,583	7,497,387	113,196
Imported Beers	1,301,972	1,104,582	197,390
<b>Total Sales by Board Stores</b>	<u>36,978,388</u>	<u>35,020,242</u>	<u>1,958,146</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,080,662</u>	<u>1,033,984</u>	<u>46,678</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>149,572,317</u>	<u>144,586,896</u>	<u>4,985,421</u>

Revenue payments totalling \$786,240,611 were received by the Treasurer of Ontario and the Government of Canada as a result of levies on beverage alcohol sold in Ontario during the year. In addition the Board paid \$2,181,280 to the Ontario municipalities as grants in lieu of realty and business taxes. These amounts are exclusive of corporation, realty and business taxes paid to these Governments and municipalities by the distilleries, wineries, breweries and licence holders. Ontario retail sales tax collected by licence holders and agency stores on their sales of beverage alcohol is also excluded.

A summary of the aforementioned revenue payments follows:

## Treasurer of Ontario

Remitted by the Board —

On account of profits \$327,300,000

Ontario Retail Sales Tax on sales through  
liquor stores

79,048,971

406,348,971

Remitted by others —

Ontario Retail Sales Tax on sales through  
retail wine stores and brewers' retail stores

37,650,867

\$443,999,838

## Government of Canada

Paid by the Board —

Customs and Excise Duties

190,148,839

Federal Sales Tax on spirits, wines and  
Imported beers

47,979,475

238,128,314

Paid by others —		
Malt duties and taxes on domestic beers and wines	<u>104,112,459</u>	<u>\$342,240,773</u>
		\$786,240,611

#### Ontario Municipalities

Paid by the Board —		
Grants in lieu of realty and business taxes		<u>\$ 2,181,280</u>
		<u>\$788,421,891</u>

## Sales by Breweries to Other Provinces and Countries

Sales to other	1974 <u>Gallons</u>	1975 <u>Gallons</u>	1976 <u>Gallons</u>	1977 <u>Gallons</u>	1978 <u>Gallons</u>
Provinces	1,685,924	746,703	420,100	134,536	162,872
Export Sales	<u>4,043,696</u>	<u>6,203,685</u>	<u>8,147,926</u>	<u>10,383,157</u>	<u>12,162,090</u>
	<u>5,729,620</u>	<u>6,950,388</u>	<u>8,568,026</u>	<u>10,517,693</u>	<u>12,324,962</u>

All brands of beer produced by the Ontario breweries and by the Quebec and Manitoba breweries which were sold in this province were periodically analysed as in previous years. This ensures that beer sold in Ontario is in conformity with the Regulations passed pursuant to the Food and Drugs Act of Canada and the standards set by the Board.

The Board receives from its laboratory at the Toronto Warehouse, current analytical reports on all brands of spirits, wine and beer.

## Wineries

On August 24, 1977, Charal Winery and Vineyards Incorporated began operation in Blenheim. This increased to ten the number of wineries in operation at March 31, 1978.

The introduction of self-contained mini-stores located within large food and department stores has contributed to the net increase of wine retail stores during the year. This brings to 62 the number of retail wine stores in operation at March 31, 1978.

The following retail wine store was relocated during this year.

T.G. Bright & Company Limited — from 187 Dundas Street, London  
to 261 Dundas Street, London

## Sales by Wineries to Other Provinces and Countries

	1974 Gallons	1975 Gallons	1976 Gallons	1977 Gallons	1978 Gallons
Sales to other Provinces	4,031,620	4,035,073	3,360,683	3,124,471	2,591,790
Export Sales	48,919	33,783	27,188	22,995	70,244
	<u>4,080,539</u>	<u>4,068,856</u>	<u>3,387,871</u>	<u>3,147,466</u>	<u>3,662,034</u>

The tonnage of grapes and cherries used by the various Ontario wineries during the past five years was as follows:

	1974 Tons	1975 Tons	1976 Tons	1977 Tons	1978 Tons
Grapes used in the manufacture of wine	45,348	46,916	44,525	42,850	34,269
Grapes used in the manufacture of concentrate	1,358	2,058	268	492	824
Cherries used in the manufacture of wine	67	21	41	48	—
	<u>46,773</u>	<u>48,995</u>	<u>44,834</u>	<u>43,390</u>	<u>35,093</u>

## Personnel

The number of Board Members and permanent employees of the various departments of the Board as at March 31, 1978, was as follows:

Board Members	5	Mail and Multigraph Personnel	22
Staffs of Departments		Planning and Development	2
		Product Administration	27
Chairman's Office	1	Properties Management	27
General Manager	14	Purchasing	3
Accounting	56	Records Management	7
Audit	52	Safety and Security	2
Customs	6	Special Projects	6
Data Processing	37	Stores	2,905
Garage	5	Store Operations	41
Laboratory	10	Traffic	13
Legal	3	Warehouses	323
			<u>3,569</u>

In addition there were 2,260 temporary or hourly rate employees at March 31, 1978. Of this total 2,214 were employed in the stores.

# Board Stores

There were 586 Board stores in operation during the year which included the distribution depot in Toronto, two duty free stores at Toronto International Airport and a Rare Wines and Spirits store.

Thirteen self-serve stores were opened at the following locations:

April	7, 1977	P.O. Box 940	Stittsville
May	18, 1977	Water Street, General Delivery	Warsaw
May	25, 1977	1245 Dupont Street	Toronto
June	10, 1977	2 King Street, West	Hamilton
August	5, 1977	500 James Street, North	Hamilton
August	5, 1977	Yonge Street, P.O. Box 76	Bonfield
September	19, 1977	1071 Wellington Road	London
October	20, 1977	Highway 11, P.O. Box 112	Moonbeam
November	3, 1977	578 Main Street, West	Winchester
November	21, 1977	Coldwater Road, P.O. Box 999	Orillia
December	2, 1977	King Street, P.O. Box 129	Brechin
December	12, 1977	2503 Dougall Avenue	Windsor
December	16, 1977	Amanda Street, P.O. Box 368	Coniston

The following two stores were relocated and converted to self-serve operations during the year.

Store	From	To
43	15 Charles Street	9 Water Street North, Kitchener
314	Lake Street	Queen and North Streets, Killaloe

The stores located in Embrun and Almonte ceased to operate as combination stores.

Other changes to stores during the year included; converting store 206, Windsor from a regular store to a Distribution Centre to accommodate licencees and special occasion permit purchases; closing store 36 at 105 O'Connor Street, Ottawa and converting an additional 30 stores to a self-serve operation at their present locations. At March 31, 1978 there were 347 self-serve stores in operation.

# Agency Stores

During the year eight agency stores changed ownership and three agency stores who surrendered their licences in the previous year were reassigned. In addition, one new agency store was opened at Keefer Lake to bring to 63 the number of stores in operation at March 31, 1978.

# Breweries and Brewers' Retail Stores

There were eleven Breweries located in Ontario, two in Quebec and two in Manitoba that were licenced to sell beer in Ontario.

Five new Brewers' Retail stores were opened at the following locations:

April	4, 1977	4141 Dixie Road	Mississauga
July	27, 1977	113 High Street	Almonte
November	14, 1977	1080 Adelaide Street, West	London
November	15, 1977	Notre Dame Street	Embrun
March	28, 1978	9025 Torbram Road	Brampton

On December 8, 1977, the Brewers' Retail store at 1515 Rebecca Street in Oakville was relocated in the same plaza.

There were 424 retail stores in operation at March 31, 1978.

# Financial Statements

Current Assets totalling \$88,628,134 consisted of the following:

Cash on Hand and in Banks	\$7,295,801
Accounts Receivable: Licence holder fees, winery fees, freight claims, hospital charge sales etc.	1,171,383
Inventories of liquors, supplies and equipment	80,045,794
Prepaid charges for Insurance, taxes etc.	<u>115,156</u>
	<u>\$88,628,134</u>

Included in inventories of liquors, supplies and equipment is prepaid merchandise for future delivery amounting to \$404,622 and supplies and equipment valued on \$529,469.

Mortgage receivable \$8,418 represents the principal amount outstanding of the mortgage taken on the old Thunder Bay warehouse property which was sold in 1965.

Fixed assets are shown at a nominal valuation of \$1.00 for each parcel of land, and \$1.00 for each building and trailer, either completed or in process, plus \$1.00 for all furniture, fixtures, machinery, equipment and leasehold improvements in stores, warehouses and offices. The real estate consists of the land and buildings at 55 Lake Shore Boulevard East, Toronto, together with the adjacent land between Cooper Street and the Government building occupied by the Ontario Provincial Police; land and warehouse at Thunder Bay; land and warehouse at Ottawa; and land and warehouse at London. Also included in the real estate are 235 store sites on which completed stores are located; 10 store sites, against which charges have been made for costs of uncompleted store buildings and 1 store parking lot.

The costs of all lands and buildings incurred during the year (less \$1.00 each unit), totalling together \$1,426,154 have been charged against income.

The accumulations of reserve for depreciation have been increased by \$1,841,746 which represents the purchases of furniture, fixtures, machinery, equipment and alterations to leased premises.

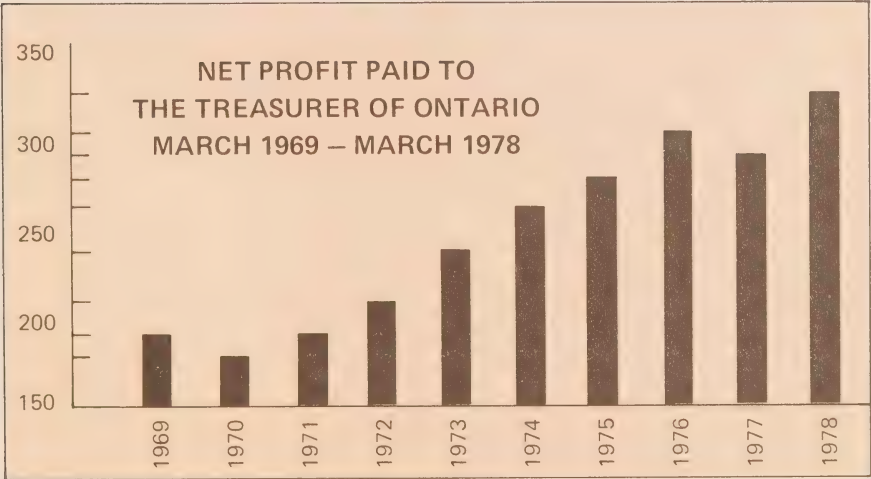
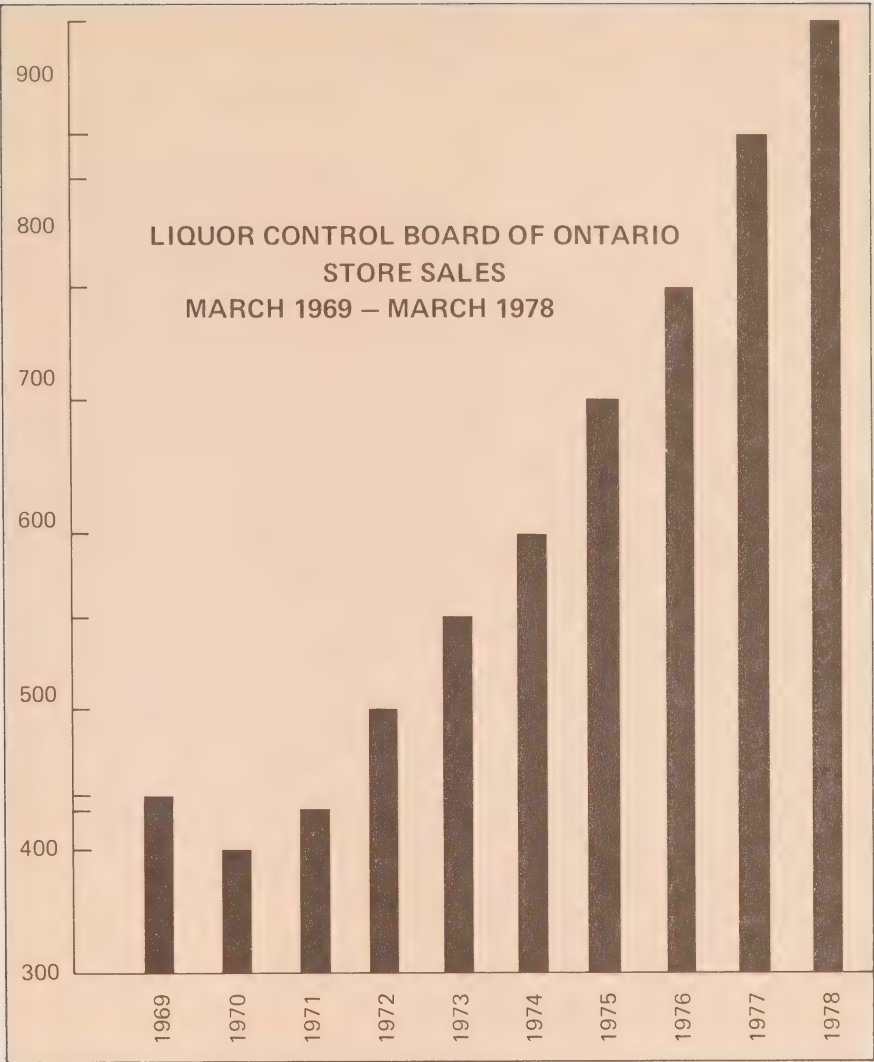
Current liabilities of the Board totalled \$42,376,355 and consisted of trade accounts payable and accrued charges.

The statement of income shows that the sales for the twelve months of spirits, wines and beer from Liquor Control Board stores amounted to \$927,096,623.

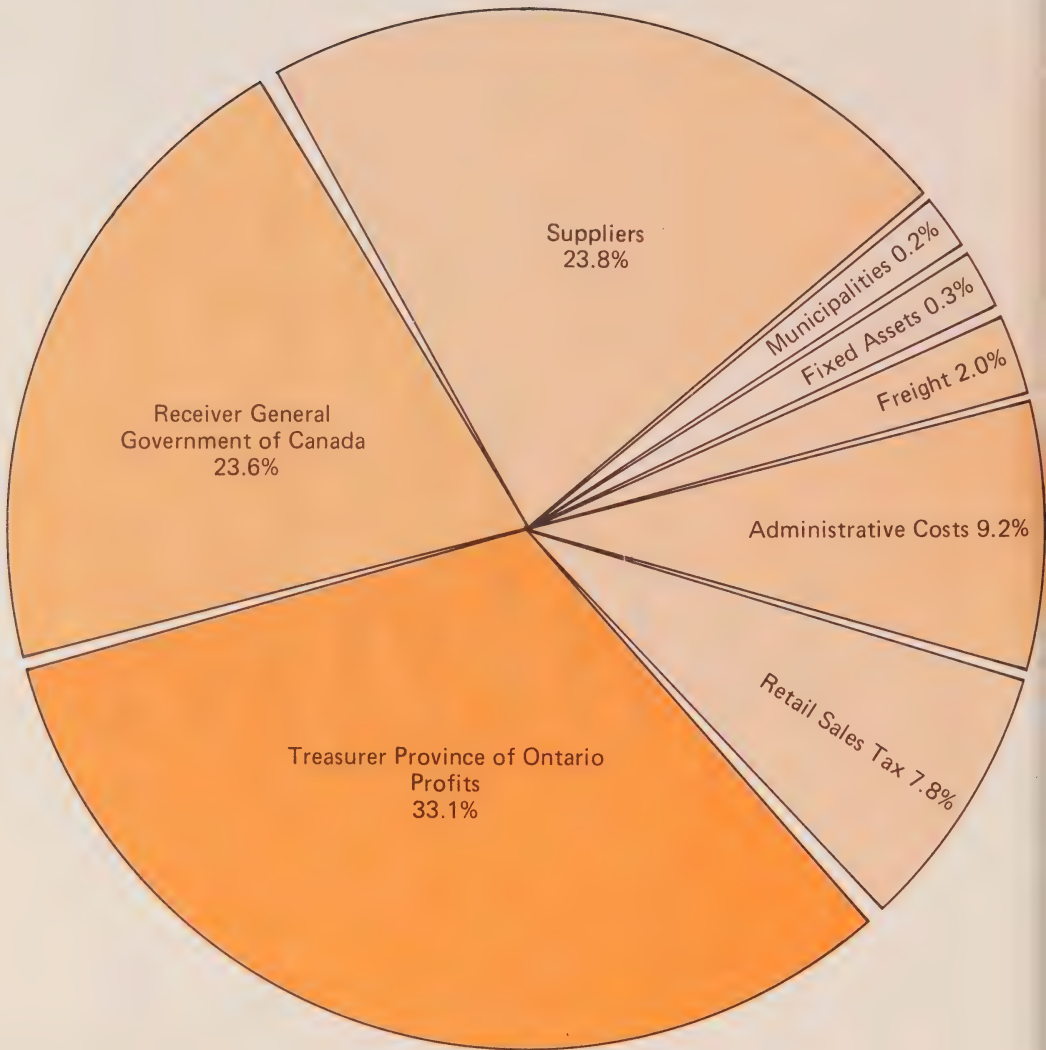
The same statement shows a gross trading profit of \$428,389,713 and other miscellaneous revenue of \$3,534,493. Expenses for the year totalled \$98,226,621 consisting of administrative and operating expenses and cost of additions to lands and buildings and furniture, fixtures, equipment and alterations. The net income carried forward to the statement of retained income is \$333,697,585. After payment to the Treasurer of Ontario of \$327,300,000 on account of profits, a balance of \$46,260,719 remained in retained income.

The statement of changes in financial position summarizes how the working capital was made available and disbursed during the year.

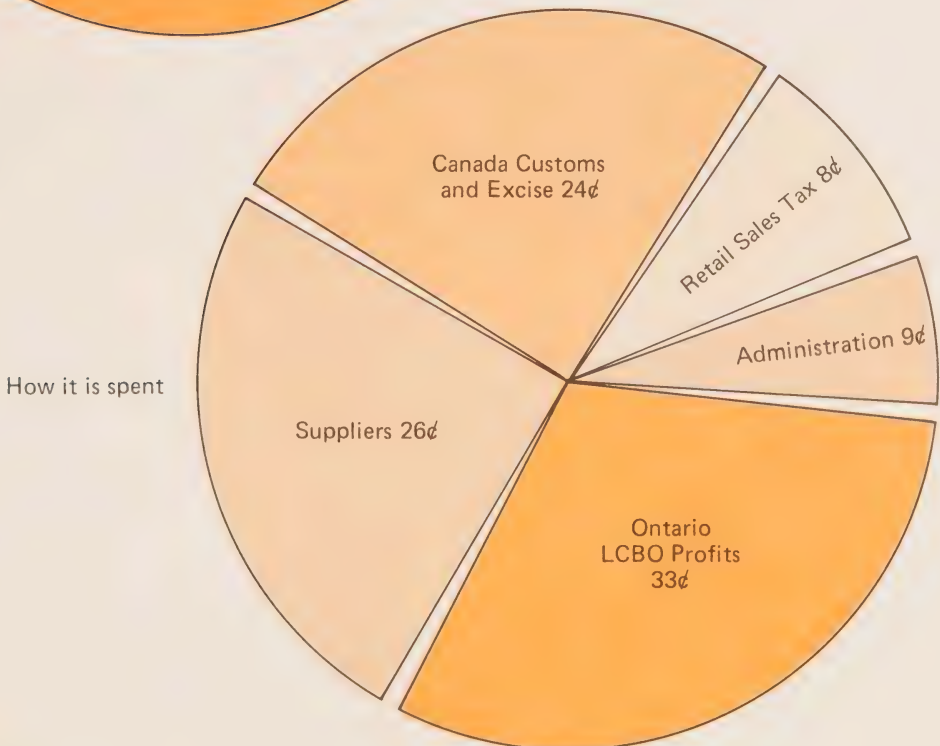
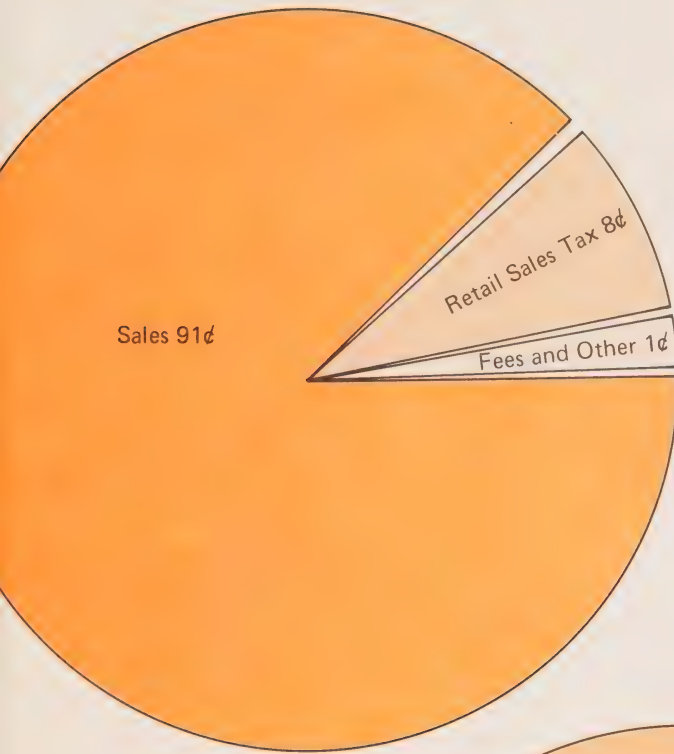
In addition, a schedule showing the expenses of administration and operations for the twelve months is also attached. Individual percentages in comparison to the total sales are given for the twelve months and also for the preceding fiscal year.



LIQUOR CONTROL BOARD OF ONTARIO  
DISTRIBUTION OF GROSS REVENUE  
1977-1978



# THE L.C.B.O. DOLLAR 1977-1978



Balance Sheet

March 31, 1978

ASSETS

	<u>1978</u>	<u>1977</u>
	\$	\$
Current		
Cash	7,295,801	8,416,804
Accounts receivable	1,171,383	1,637,045
Inventories, at cost (note 4)	80,045,794	72,301,049
Prepaid expenses	<u>115,156</u>	<u>354,021</u>
	<u>88,628,134</u>	<u>82,708,919</u>
 Mortgage receivable	 <u>8,418</u>	 <u>11,346</u>
 Fixed, at cost (note 1)	 74,503,530	 71,967,064
Less: amounts written off	<u>74,503,008</u>	<u>71,966,542</u>
	<u>522</u>	<u>522</u>
	<u><u>88,637,074</u></u>	<u><u>82,720,787</u></u>

See accompanying notes to financial statements.

Approved:  
W.J. BOSWORTH  
Chairman

F.A. MACINNIS  
General Manager

## LIABILITIES

	<u>1978</u>	<u>1977</u>
	\$	\$
<b>Current</b>		
Accounts payable and accrued expenses (note 4)	42,376,355	42,857,653
<b>Retained income</b>	46,260,719	39,863,134
	<u>88,637,074</u>	<u>82,720,787</u>

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1978 and the statements of income, retained income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at March 31, 1978 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles which, except for the change in accounting for goods in transit as referred to in note 4 to the financial statements, have been applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,  
August 17, 1978.

F.N. SCOTT, C.A.,  
Provincial Auditor.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Income

Year ended March 31, 1978

	1978	1977
	\$	\$
Sales	927,096,623	857,507,325
Cost of sales	498,706,910	461,609,550
Gross income	428,389,713	395,897,775
Operating expenses (note 2)	98,226,621	90,535,055
Operating income	330,163,092	305,362,720
Other revenue (note 3)	3,534,493	3,423,774
Net income for the year	333,697,585	308,786,494

See accompanying notes to financial statements.

LIQUOR CONTROL BOARD OF ONTARIO

Statement of Retained Income

Year ended March 31, 1978

	1978	1977
	\$	\$
Balance at beginning of year	39,863,134	33,272,447
Add:		
Net income for the year	333,697,585	308,786,494
	373,560,719	342,058,941
Deduct:		
Payments to the Treasurer of Ontario on account of net income	327,300,000	302,195,807
Balance at end of year	46,260,719	39,863,134

See accompanying notes to financial statements.

Statement of Changes in Financial Position

Year Ended March 31, 1978

	<u>1978</u>	<u>1977</u>
	\$	\$
Source of working capital		
Net income for the year	333,697,585	308,786,494
Item not requiring an outlay of funds —		
Fixed assets written off	3,267,900	4,920,930
Decrease in mortgage receivable	<u>2,928</u>	<u>2,756</u>
	<u>336,968,413</u>	<u>313,710,180</u>
Application of working capital		
Investment in fixed assets	3,267,900	4,920,951
Payments to Treasurer of Ontario		
on account of net income	<u>327,300,000</u>	<u>302,195,807</u>
	<u>330,567,900</u>	<u>307,116,758</u>
Increase in working capital	6,400,513	6,593,422
Working capital at beginning of year	<u>39,851,266</u>	<u>33,257,844</u>
Working capital at end of year	<u><u>46,251,779</u></u>	<u><u>39,851,266</u></u>

See accompanying notes to financial statements.

## Notes to Financial Statements

March 31, 1978

## 1. FIXED ASSETS

It is the policy of the Board to carry each parcel of land and each building on its books at the nominal value of \$1.00. The total of furniture and equipment in current use and leasehold improvements is carried on the books at the nominal value of \$1.00. All asset costs in excess of these nominal values are written off in the year of acquisition.

The cost at year-end of fixed assets is as follows:

	1978	1977
	\$	\$
Land	8,677,472	8,600,200
Buildings	46,374,368	45,115,577
Furniture and equipment	11,435,036	10,938,381
Leasehold improvements	8,016,654	7,312,906
	<u>74,503,530</u>	<u>71,967,064</u>

Details of fixed assets written off during the year are as follows:

	1978	1977
	\$	\$
Land	77,273	233,010
Buildings	1,348,881	2,803,976
Furniture and equipment	1,029,938	1,207,264
Leasehold improvements	811,808	676,680
	<u>3,267,900</u>	<u>4,920,930</u>

2. OPERATING EXPENSES

	1978		1977	
	\$	% of sales	\$	% of sales
Salaries and employee benefits	73,241,592	7.90	66,067,181	7.70
Rent	8,055,280	.87	7,135,396	.83
Repairs and maintenance	2,255,048	.24	2,328,899	.27
Grants in lieu of taxes	2,181,280	.24	2,059,784	.24
Utilities	1,935,556	.21	1,705,489	.20
Packing material	1,227,109	.13	1,222,318	.14
Stationery	929,755	.10	904,488	.11
Travelling	472,878	.05	507,327	.06
Stock breakage and losses	983,536	.11	789,757	.09
Agency commissions and expenses	556,069	.06	569,343	.07
Security services	541,475	.06	483,027	.06
Data processing equipment rental and supplies	465,724	.05	453,841	.05
Telephone and telegraph	323,992	.03	298,198	.04
Other	1,789,427	.19	1,089,077	.13
Fixed assets written off	3,267,900	.35	4,920,930	.57
	<u>98,226,621</u>	<u>10.59</u>	<u>90,535,055</u>	<u>10.56</u>

3. OTHER REVENUE

	<u>1978</u>	<u>1977</u>
	\$	\$
Ontario wine licence fees	21,469	21,586
Special occasion permit purchase fees	2,766,809	2,746,025
Interest on bank balances	283,390	173,509
Miscellaneous income	462,825	482,654
	<u>3,534,493</u>	<u>3,423,774</u>

4. INVENTORY

In 1977-78, foreign goods in transit were considered for purposes of balance sheet presentation whereas in previous years they were not. This change has the effect of increasing the 1978 amounts reported for both inventories and accounts payable by \$8,716,992.

5. ANTI-INFLATION LEGISLATION

Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Board is subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective October 14, 1975.

6. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to 1978 presentation.

CA26N  
LC  
-R26

# 53<sup>rd</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1978  
to MARCH 31st, 1979

DEPOSITORY LIBRARY MATERIAL





# 53<sup>rd</sup> REPORT

## LIQUOR CONTROL BOARD OF ONTARIO

APRIL 1st, 1978  
to MARCH 31st, 1979

### DEPOSITORY LIBRARY MATERIAL

Formed in 1927, the Liquor Control Board of Ontario was incorporated as a Crown Corporation under The Liquor Control Act, 1975. The Board regulates the sale and transportation of liquor throughout the province, establishes stores for the sale of liquor to the public, and controls and supervises the marketing methods of liquor manufacturers. Also, it purchases products for sale to the public and maintains product quality control over those products.

Liquor Control Board of Ontario  
55 Lake Shore Boulevard East  
Toronto, Ontario  
M5E 1A4



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PERSONNEL .....	24



# Highlights

	1979	1978	1977
	(\$000)	(\$000)	(\$000)
Sales .....	\$990,460	\$927,096	\$857,507
Increase in %/ previous year .....	6.8%	8.1%	11.7%
	(\$000)	(\$000)	(\$000)
Operating expenses	\$107,254	\$98,226	\$90,535
% of expenses/sales ..	10.8%	10.6%	10.5%
	(\$000)	(\$000)	(\$000)
Net income .....	\$361,429	\$333,697	\$308,786
% of net income/sales	36.5%	36%	36%
Self-serve stores in operation .....	393	347	304
Total stores in operation .....	589	586	575
Number of permanent employees .....	3,593	3,564	3,502
Number of regular products listed .....	2,125	2,080	2,004



# Liquor Control Board of Ontario

55 Lake Shore Boulevard East  
Toronto, Ontario M5E 1A4  
September 7, 1979

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U., B.A.A.  
The Lieutenant Governor of Ontario  
Legislative Building  
Queen's Park  
Toronto, Ontario M7A 1A1

May It Please Your Honour,

In accordance with Section 7 of The Liquor Control Act, 1975, I have the honour to submit herewith the 53rd Report and Financial Statements of the Liquor Control Board of Ontario for the fiscal year ended March 31, 1979, as well as the report of the Provincial Auditor.

The Report outlines the results and activities of the Board during the year under review, specifically in relation to its responsibility for the control and sale of the products of distilleries, wineries and breweries in Ontario. To this end, the Board further consolidated its administrative structure providing a balanced servicing of its three major client groups, the Treasurer of Ontario, the general public and the trade.

Despite a temporary freeze on the price of imported spirits and wine during the period of August 15, 1978 to fiscal year end, sales through 589 Board stores and 65 agency stores exceeded \$990 million, up 6.8 per cent compared with the previous year's totals. Profits payable to the Treasurer of Ontario increased from \$333 million to \$361 million during the corresponding period. Other revenue totalled more than \$4 million, derived mainly from purchase permit fees collected from special occasion permit holders in lieu of Ontario Retail Sales Tax.

For the third successive year, the Board made significant advances in the Ontario wine assistance program. During the year, wineries expanded mini store operations located in supermarkets throughout the province. Since its implementation in 1976, the wine assistance program has contributed to the growth of the Ontario wine industry. The additional supply of grapes preferred for wine making and the importation of wine for blending under The Wine Content Act, 1977, has resulted in varietal wines and blends of wine more pleasing to the public.

The Board continued its efforts in providing excellence in both the quality of products for sale and the selection of products available at affordable prices. With 2,125 regular product listings, the Board provided the public with one of the best selections of brands offered among its counterparts throughout the world. Also in the interest of the public, the Board maintained its program of converting conventional stores to self-service; there were 393 self-serve stores in operation as of March 31, 1979.

A sincere thanks is extended to our dedicated 3,593 permanent employees who contributed to the Board's operation during the year under the direction of Mr. F.A. MacInnis, General Manager and officers of the Board. My fellow Board members, Mr. R.J. Harris, Vice Chairman, Mr. J.L. Slade, Ms. K.J. Anderson and Mr. J.P. Holliday, warrant special acknowledgement for their commitment to the Crown Corporation and its purpose.

I have the honour to be, Madam,

Your Obedient Servant,

William J. Bosworth  
Chairman

# Sales

Total sales of spirits, wine and beer by Board stores during the fiscal year ended March 31, 1979 were \$990,460,953. Sales of Canadian wine made directly to customers by licensed retail wine stores and wineries in Ontario amounted to \$15,125,867. The net value of beer sold in Ontario by breweries and brewers' retail outlets, exclusive of the cost of containers, totalled \$543,525,831.

The following table shows sales results and increases in sales for the fiscal year under review as compared with the previous year's totals:

## Sales by Value

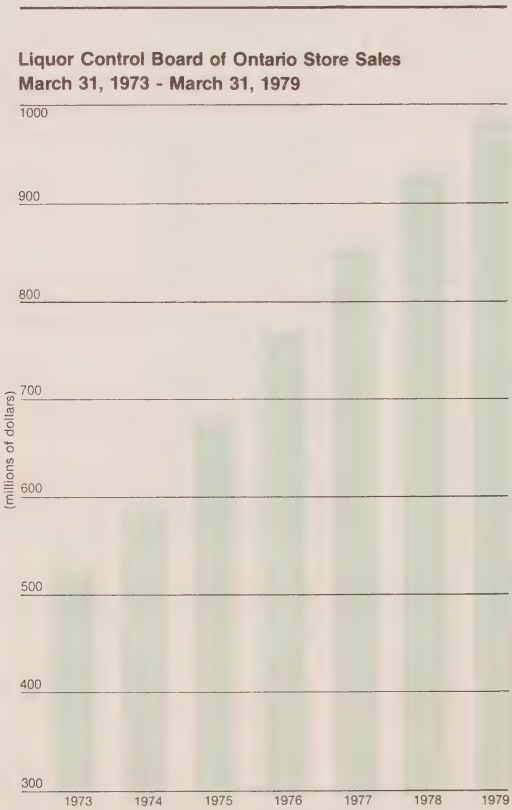
	Fiscal Year Ended March 31, 1979	Fiscal Year Ended March 31, 1978	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	\$574,346,429	\$560,760,105	\$13,586,324
Imported Spirits	154,750,895	144,269,098	10,481,797
*Canadian Wines	72,435,087	62,577,143	9,857,944
Imported Wines	145,068,266	117,685,776	27,382,490
Canadian Beers	32,833,264	31,070,284	1,762,980
Imported Beers	11,027,012	10,734,217	292,795
<b>Total Sales by Board Stores</b>	<b>\$990,460,953</b>	<b>\$927,096,623</b>	<b>\$63,364,330</b>
<b>Sales by Ontario Wineries and Winery Stores</b>	<b>\$ 15,125,867</b>	<b>\$ 11,400,179</b>	<b>\$ 3,725,688</b>
<b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>	<b>\$543,525,831</b>	<b>\$492,557,349</b>	<b>\$50,968,482</b>

\*Includes Ontario wine sales of \$69,160,290 during fiscal year ended March 31, 1979 compared with \$60,164,516 during previous year.

# Sales by Gallons

	Fiscal Year Ended March 31, 1979	Fiscal Year Ended March 31, 1978	Increase
<b>Sales by Board Stores</b>			
Canadian Spirits	13,203,440	13,425,004	(221,564)
Imported Spirits	2,860,610	2,825,742	34,868
*Canadian Wines	5,830,397	5,544,583	285,814
Imported Wines	7,517,081	6,270,504	1,246,577
Canadian Beers	7,626,147	7,610,583	15,564
Imported Beers	1,150,216	1,301,972	(151,756)
<b>Total Sales by Board Stores</b>	<u>38,187,891</u>	<u>36,978,388</u>	<u>1,209,503</u>
<b>Sales by Ontario Wineries and Winery Stores</b>	<u>1,273,086</u>	<u>1,080,662</u>	<u>192,424</u>
<b>Sales by Breweries and Brewers' Retail Stores</b>	<u>152,875,369</u>	<u>149,572,317</u>	<u>3,303,052</u>

\*Includes Ontario wine sales of 5,564,174 gallons during fiscal year ended March 31, 1979 compared with 5,334,750 gallons during previous fiscal year.



# Revenue Payments

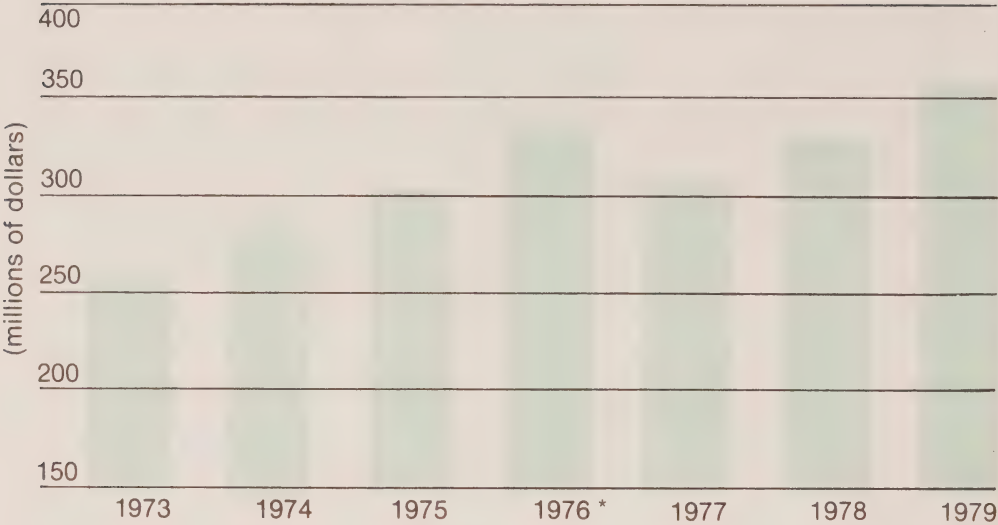
The Board contributed a total of \$835,038,913 to the Treasurer of Ontario and the Government of Canada, derived from levies on beverage alcohol sold in the province during the year. Of these payments \$356 million was remitted to the Treasurer of Ontario on account of Board profits, representing some three per cent of the Province's 1978-79 revenue.

In addition, the Board paid \$2,284,756 to Ontario municipalities as grants in lieu of realty and business taxes. These amounts do not include corporation, realty and business taxes paid by the distilleries, wineries, breweries and licence holders. Ontario retail sales tax collected by licence holders and agency stores on sales of beverage alcohol is also excluded from these figures.

A summary of the aforementioned revenue payments is as follows:

<b>Treasurer of Ontario</b>		
Remitted by the Board —		
on account of profits	\$356,000,000	
Ontario Retail Sales Tax on sales through liquor stores	83,263,798	
	<u>439,263,798</u>	
Remitted by others —		
Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	42,570,702	\$481,834,500
	<u>42,570,702</u>	
<b>Government of Canada</b>		
Paid by the Board —		
Customs and Excise Duties	192,560,765	
Federal Sales Tax on spirits, wines and imported beers	52,203,632	
	<u>244,764,397</u>	
Paid by others —		
malt duties and taxes on domestic beers and wines	108,440,016	353,204,413
	<u>108,440,016</u>	<u>835,038,913</u>
<b>Ontario Municipalities</b>		
Paid by the Board —		
Grants in lieu of realty and business taxes		2,284,756
		<u>\$837,323,669</u>

**Net Profit Paid to the Treasurer of Ontario**  
**March 31, 1973 - March 31, 1979**



Prior to January 2, 1976, the net profit of the L.C.B.O included the financial results of the Liquor Licence Board of Ontario.

# Financial Statements

LIQUOR CONTROL BOARD OF ONTARIO  
(Incorporated under The Liquor Control Act, 1975)

## Balance Sheet

March 31, 1979

ASSETS		
	1979	1978
	\$	\$
<b>Current</b>		
Cash	4,537,625	7,295,801
Accounts receivable, trade and others	1,352,980	1,171,383
Inventories, at cost	111,596,138	80,045,794
Prepaid expenses	208,885	115,156
	<u>117,695,628</u>	<u>88,628,134</u>
<b>Mortgage receivable</b>	<u>5,588</u>	<u>8,418</u>
<b>Fixed, at cost (note 1)</b>	76,333,630	74,503,530
Less amounts written off	<u>76,333,102</u>	<u>74,503,008</u>
	<u>528</u>	<u>522</u>
	<u><u>117,701,744</u></u>	<u><u>88,637,074</u></u>
LIABILITIES		
<b>Current</b>		
Accounts payable and accrued expenses	<u>66,011,334</u>	<u>42,376,355</u>
<b>Retained income</b>	<u>51,690,410</u>	<u>46,260,719</u>
	<u><u>117,701,744</u></u>	<u><u>88,637,074</u></u>

See accompanying notes to financial statements.

Approved:

W.J. Bosworth  
Chairman

F.A. MacInnis  
General Manager

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1979 and the statements of income, retained income and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at March 31, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario,  
July 24, 1979.

F.N. Scott, F.C.A.,  
Provincial Auditor.

Statement of Income

Year ended March 31, 1979

	1979	1978
	\$	\$
Sales	990,460,953	927,096,623
Cost of sales	525,984,743	498,706,910
Gross income	464,476,210	428,389,713
Operating expenses (note 2)	107,254,806	98,226,621
Operating income	357,221,404	330,163,092
Other revenue (note 3)	4,208,287	3,534,493
Net income for the year	361,429,691	333,697,585

See accompanying notes to financial statements.

Statement of Retained Income

Year ended March 31, 1979

	1979	1978
	\$	\$
Balance at beginning of year	46,260,719	39,863,134
Add:		
Net income for the year	361,429,691	333,697,585
	407,690,410	373,560,719
Deduct:		
Payments to the Treasurer of Ontario on account of net income	356,000,000	327,300,000
Balance at end of year	51,690,410	46,260,719

See accompanying notes to financial statements.

# Statement of Changes in Financial Position

Year ended March 31, 1979

	1979	1978
	\$	\$
<b>Source of working capital</b>		
Net income for the year	361,429,691	333,697,585
Item not requiring an outlay of funds —		
Fixed assets written off	3,003,430	3,267,900
Decrease in mortgage receivable	2,830	2,928
	<u>364,435,951</u>	<u>336,968,413</u>
 <b>Application of working capital</b>		
Investment in fixed assets	3,003,436	3,267,900
Payments to Treasurer of Ontario		
on account of net income	<u>356,000,000</u>	<u>327,300,000</u>
	<u>359,003,436</u>	<u>330,567,900</u>
Increase in working capital	5,432,515	6,400,513
Working capital at beginning of year	<u>43,251,779</u>	<u>39,851,266</u>
Working capital at end of year	<u><u>51,684,294</u></u>	<u><u>46,251,779</u></u>

See accompanying notes to financial statements.

Notes to Financial Statements

March 31, 1979

1. FIXED ASSETS

It is the policy of the Board to carry each parcel of land and each building on its books at the nominal value of \$1.00. The total of furniture and equipment in current use and leasehold improvements is carried on the books at the nominal value of \$1.00. All asset costs in excess of these nominal values are written off in the year of acquisition.

The cost at year end of fixed assets, net of disposals, is as follows:

	<u>1979</u>	<u>1978</u>
	\$	\$
Land	8,782,362	8,677,472
Buildings	47,169,927	46,374,368
Furniture and equipment	12,028,189	11,435,036
Leasehold improvements	<u>8,353,152</u>	<u>8,016,654</u>
	<u>76,333,630</u>	<u>74,503,530</u>

Details of fixed assets written off during the year are as follows:

	<u>1979</u>	<u>1978</u>
	\$	\$
Land	109,007	77,273
Buildings	1,229,843	1,348,881
Furniture and equipment	916,074	1,029,938
Leasehold improvements	<u>748,506</u>	<u>811,808</u>
	<u>3,003,430</u>	<u>3,267,900</u>

## 2. OPERATING EXPENSES

	1979		1978	
	\$	% of sales	\$	% of sales
Salaries and employee benefits	80,293,877	8.11	73,241,592	7.90
Rent	8,602,845	.87	8,055,280	.87
Repairs and maintenance	2,997,600	.30	2,255,048	.24
Grants in lieu of taxes	2,284,756	.23	2,181,280	.24
Utilities	2,156,646	.22	1,935,556	.21
Packing material	1,205,571	.12	1,227,109	.13
Stationery	730,050	.07	929,755	.10
Travelling	464,614	.05	472,878	.05
Stock breakage and losses	1,175,863	.12	983,536	.11
Agency commissions and expenses	587,239	.06	556,069	.06
Security services	646,194	.06	541,475	.06
Data processing equipment rental and supplies	449,599	.05	465,724	.05
Telephone and telegraph	358,813	.04	323,992	.03
Other	2,297,709	.23	1,789,427	.19
Fixed assets written off	3,003,430	.30	3,267,900	.35
	<u>107,254,806</u>	<u>10.83</u>	<u>98,226,621</u>	<u>10.59</u>

Pursuant to the latest actuarial report on the Public Service Superannuation Fund, the Board is required to make annual payments of approximately \$2.4 million toward the unfunded liabilities of the Fund over a period commencing with the 1978-79 fiscal year and ending substantially on January 1, 1992.

### 3. OTHER REVENUE

	<u>1979</u>	<u>1978</u>
	\$	\$
Ontario wine licence fees	25,037	21,469
Special occasion permit purchase fees	2,887,814	2,766,809
Interest on bank balances	121,483	283,390
Miscellaneous income	<u>1,173,953</u>	<u>462,825</u>
	<u>4,208,287</u>	<u>3,534,493</u>

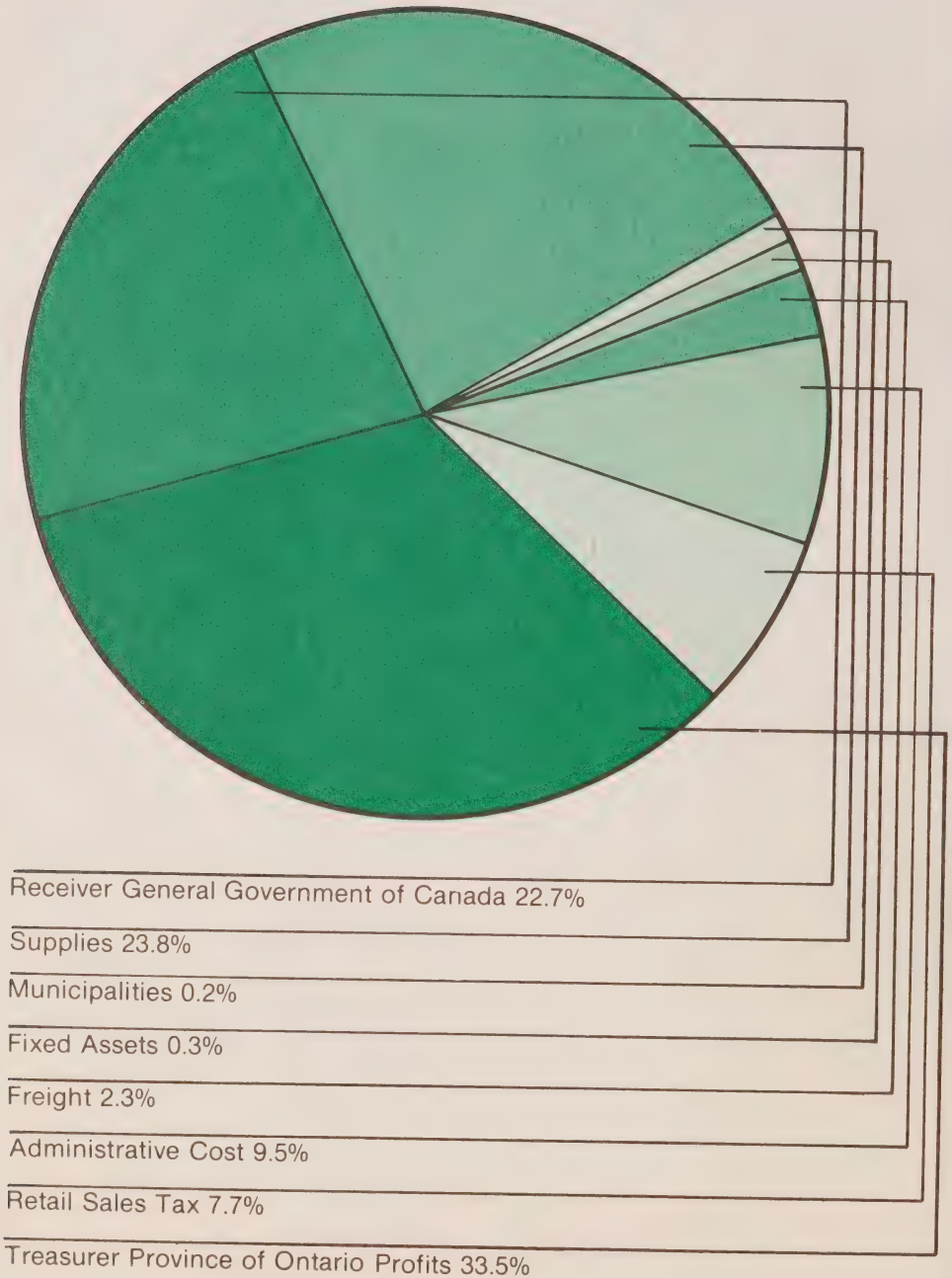
### 4. LEASE COMMITMENT

Total commitments as of March 31, 1979 for lease of premises amount to \$45,000,000. Of this total \$6,900,000 becomes payable during the year ending March 31, 1980.

### 5. ANTI-INFLATION LEGISLATION

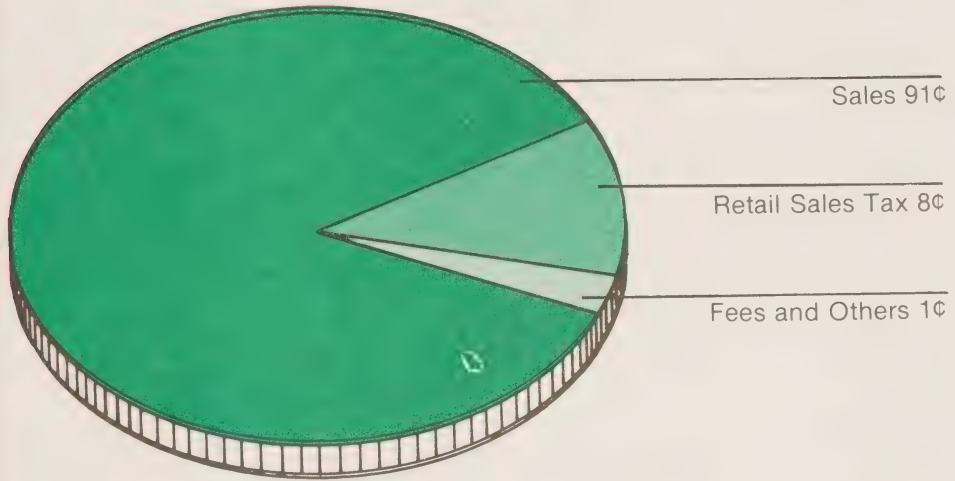
Pursuant to the terms of an agreement between the Province of Ontario and the Government of Canada, the Board was subject to controls on compensation instituted by the Government of Canada in the Anti-Inflation Act, effective from October 14, 1975 to December 31, 1978.

# Liquor Control Board of Ontario Distribution of Gross Revenue 1978 - 1979

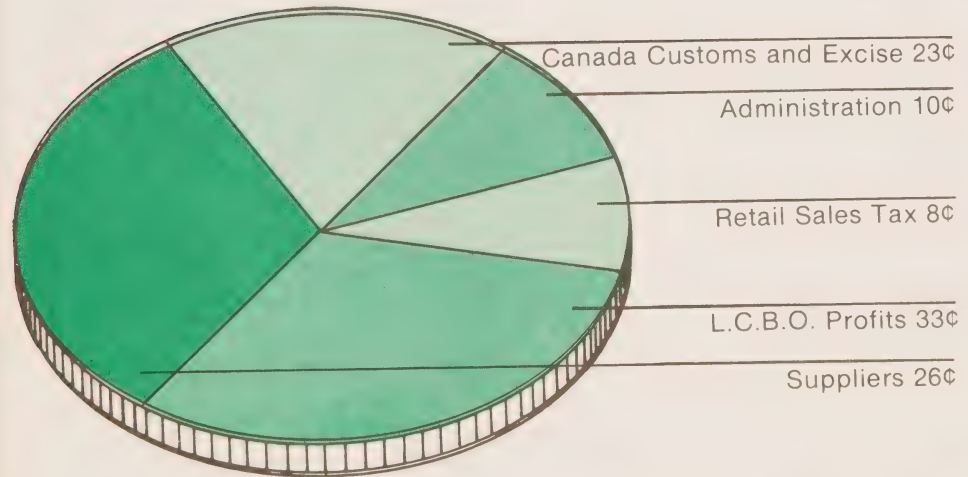


# The L.C.B.O. Dollar 1978 - 1979

Where it comes from



How it is spent



# Stores Operations

## Board Stores

The Board operated 589 stores during the year including the distribution depot in Toronto, two duty-free stores at the Toronto International Airport and two Rare Wines and Spirits outlets.

Five new self-serve stores were opened at the following locations:

June	27, 1978	P.O. Box 25, R.R. 2	Sauble Beach
July	27, 1978	P.O. Box 18	Grand Valley
October	20, 1978	1980 Bank Street	Ottawa
November	24, 1978	1001 Sandhurst Circle	Toronto
January	25, 1979	450 Notre Dame Street	Sudbury

The following nine stores were relocated and converted to self-serve operations during the year:

Store	From	To
135	120 Russell Street	219 Russell Street, Madoc
178	45 Front Street North	37 Front Street South, Campbellford
184	25 Broadway Avenue	20 Ganley Street, Wawa
185	5427 Yonge Street	5385 Yonge Street, Toronto
193	534 Notre Dame Street	337 Notre Dame Street, Belle River
315	Highways 17 and 105	Highway 17 and Tower Road, Vermillion Bay
322	St. David Street North	St. David Street North, Noelville
356	5349 Lakeshore Road	5111 New Street, Burlington
454	582 Goderich Street	216 Goderich Street, Port Elgin

Other changes to store operations during the year include the converting of an additional 32 conventional Board stores to self-serve operations at their existing locations and the closing of store 121 at 1008 Wellington Street, Ottawa. Underscoring the Board's successful conversion to self-serve operations, there were 393 self-serve stores by March 31, 1979, representing 67 per cent of the Board's total number of stores to fiscal year end.

## Agency Stores

During the year, five agency stores changed ownership while two other agency store licences were reassigned following their surrender by the previous owners. In addition, three new agency stores were opened, bringing to 65 the number of agency stores in operation as of March 31, 1979. Agency store 1 was not in operation at year end.

# Breweries and Brewers' Retail Stores

There were 11 breweries located within the province, as well as two in Quebec and two in Manitoba that were licensed to sell beer in Ontario during the year.

A total of nine new brewers' retail stores were opened at the following locations, bringing to 433 the number of stores in operation as of March 31, 1979:

June	26, 1978	Highway 11B	Powassan
July	19, 1978	Highways 10 and 24	Shelburne
July	21, 1978	John Street	Manotick
September	14, 1978	4501 Bath Road	Amherstview
November	20, 1978	St. David Street	Noelville
December	1, 1978	Highway 40 and St. Clair Boulevard	Corunna
December	8, 1978	1001 Sandhurst Circle	Toronto
December	19, 1978	Highway 20 South	Fonthill
February	20, 1979	Highway 35	Coboconk

## Sales by Breweries to Other Provinces and Countries (in gallons)

	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
Sales to other					
Provinces	367,761	162,872	134,536	420,100	746,703
Export Sales	<u>18,597,450</u>	<u>12,162,090</u>	<u>10,383,157</u>	<u>8,147,926</u>	<u>6,203,685</u>
	<u>18,965,211</u>	<u>12,324,962</u>	<u>10,517,693</u>	<u>8,568,026</u>	<u>6,950,388</u>

All brands of beer produced by the 13 breweries which are licensed to sell beer in Ontario were analysed periodically by the Board, as in previous years. This quality control process ensures that beer sold in the province conforms with the regulations passed pursuant to The Food and Drug Act of Canada, 1953, and the standards set by the Board.

# Wineries and Winery Retail Stores

On May 1, 1978, Chateau des Charmes Limited, a new winery, was licensed to commence operation in St. Catharines. There were 11 wineries in operation as of March 31, 1979.

With the opening of 38 new mini wine stores, eight regular wine stores and two relocations, a total of 108 wine stores were in operation throughout Ontario as of March 31, 1979.

The wine store formerly operated by Turner Wine Company at 15 King William Street, Hamilton, was transferred to the control of London Winery Company.

## Sales by Wineries to Other Provinces and Countries (in gallons)

	1979	1978	1977	1976	1975
Sales to other Provinces	2,698,785	2,591,790	3,124,471	3,360,683	4,035,073
Export Sales	76,221	70,244	22,995	27,188	33,783
	<u>2,775,006</u>	<u>2,662,034</u>	<u>3,147,466</u>	<u>3,387,871</u>	<u>4,068,856</u>

The tonnage of grapes and apples used by the various Ontario wineries over the past five years is as follows:

	1979	1978	1977	1976	1975
Grapes used in the manufacture of wine	44,470	34,269	42,850	44,525	46,916
Grapes used in the manufacture of concentrate	3,817	824	492	268	2,058
Apples used in the manufacture of cider	608	964	153	774	1,715
	<u>48,895</u>	<u>36,057</u>	<u>43,495</u>	<u>45,567</u>	<u>50,689</u>

# Products

With 2,125 brands available through its stores at March 31, 1979, the Board is regarded internationally as offering among the best selections of spirits and wines. Beyond its wide brands selection, the Board places utmost importance on offering quality products to the public. Through its computerized laboratory located at the Toronto warehouse, the Board produces regular analytical reports on all brands of spirits, wine and beer available at Board stores, agency stores, wine stores, breweries and brewers' retail outlets.

As part of its customer services program, the Board continues to provide the services of wine consultants at selected Board stores; these knowledgeable consultants are prepared to assist customers in the selection of wines best suited to the individual's taste.

The Board is committed to responding to the needs of the community, while paying close attention to the social conditions, rather than stressing sales volume as a measure of each store's success. The customer, therefore, comes first in the Board's delivery of service.

# Personnel

The number of Board members and permanent employees of the various departments of the Board as of March 31, 1979 is as follows:

Board Members	<u>5</u>
---------------	----------

## Staff of Departments

Chairman's Office	1
General Manager	13
Accounting	52
Audit	52
Customs	7
Data Processing	37
Garage	2
Laboratory	10
Legal	2
Mail and Multigraph	7
Personnel	19
Planning	2
Product Administration	25
Properties Management	25
Purchasing	3
Records Management	7
Safety and Security	5
Special Projects	6
Stores	2,921
Store Operations	45
Traffic	12
Warehouses	<u>340</u>
	<u>3,593</u>

In addition, there were 1,789 temporary or hourly rate employees as of March 31, 1979; of this total, 1,760 were employed in Board stores.

As the front line of Board operations, employees are provided with ongoing training aimed to enable them to better serve the Ontario consumer.

CA20N  
LC  
- R26

# 54<sup>th</sup> REPORT

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LIQUOR CONTROL BOARD  
OF ONTARIO

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APRIL 1st, 1979  
to MARCH 31st, 1980

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# Highlights

	1980	1979	1978
	(000)	(000)	(000)
Sales.....	\$1,079,746	\$990,460	\$927,096
Increase in %/ previous year.....	9.0%	6.8%	8.1%
	(000)	(000)	(000)
Operating expenses	\$117,575	\$107,254	\$98,226
% of expenses/sales	10.9%	10.8%	10.6%
	(000)	(000)	(000)
Net income.....	\$407,587	\$361,429	\$333,697
% of net income/sales	37.7%	36.5%	36.0%
Self-serve stores in operation .....	419	393	347
Total stores in operation .....	591	589	586
Number of permanent employees.....	3,598	3,593	3,564
Number of regular products listed .....	2,184	2,125	2,080



# Liquor Control Board of Ontario

55 Lake Shore Boulevard East  
Toronto, Ontario M5E 1A4  
September 2, 1980

The Honourable Pauline M. McGibbon, O.C., B.A., LL.D., D.U., B.A.A.  
The Lieutenant Governor of Ontario  
Legislative Building  
Queen's Park  
Toronto, Ontario M7A 1A1

May It Please Your Honour,

In accordance with Section 7 of The Liquor Control Act, 1975, I have the honour to submit herewith the 54th Report and Financial Statements of the Liquor Control Board of Ontario for the fiscal year ended March 31, 1980, as well as the report of the Provincial Auditor.

The Report outlines the results and activities of the Board during the year under review as the Board continued at all times to discharge its responsibilities in the area of control and distribution of the products of distilleries, wineries and breweries in Ontario.

In accordance with the 1979-80 Ontario Budget and because of such cost factors as increased suppliers' quotations, transportation costs and currency fluctuations, the price of most products increased during the year. With the removal of the price freeze on imported spirits and wines, price changes were related directly to cost changes and effected at the retail level only when inventories were shipped to stores. For the first time, sales exceeded \$1 billion which was a 9 percent increase over the previous year. Profits payable to the Treasurer of Ontario increased from \$361 million to \$407 million for the year.

The administrative structure of the Board was reorganized to provide a separate warehousing and distribution division. Efforts were made to improve distribution efficiencies and make adequate provision for future warehousing and distribution requirements of the Board.

An expansion of the security function was undertaken during the year by the Security Services Department. The introduction of various security programs has resulted in an improved level of security awareness among employees as this department has become an integral part of the Board's operation.

At this time I would like to acknowledge our dedicated employees who contributed to the Board's operation during the year. Special thanks are extended to my fellow Board members, Mr. R.J. Harris, Vice Chairman, Mr. J.L. Slade, Mr. J.P. Holliday and Ms. K.J. Anderson.

I have the honour to be, Madam,

Your Obedient Servant,

William J. Bosworth  
Chairman

# Sales

Total sales of spirits, wine and beer by Board stores during the fiscal year ended March 31, 1980, were \$1,079,745,663. Sales of Canadian wine made directly to customers by licensed retail wine stores and wineries in Ontario amounted to \$20,918,133. The net value of beer sold in Ontario by breweries and brewers' retail outlets, exclusive of the cost of containers, totalled \$560,543,160.

The following table shows sales results and increases/decreases in sales for the fiscal year under review as compared with the previous year's totals:

## Sales by Value

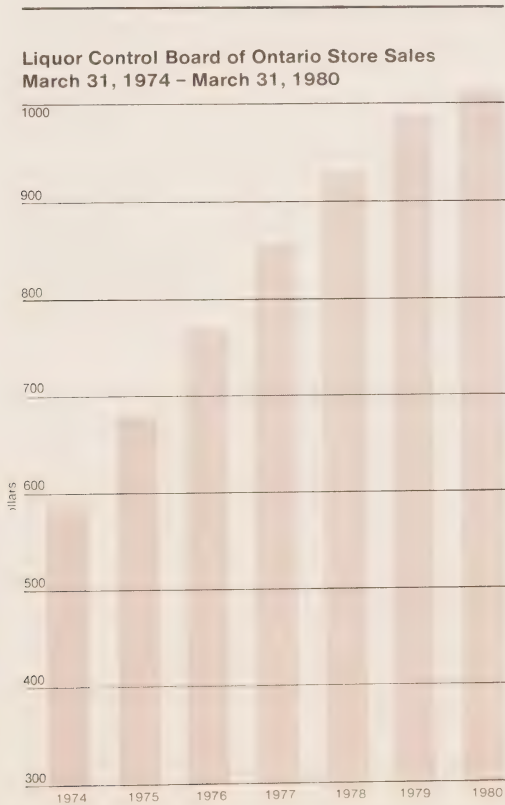
	Fiscal Year Ended March 31, 1980	Fiscal Year Ended March 31, 1979	Increase (Decrease)
<b>Sales by Board Stores</b>			
Canadian Spirits	\$624,084,217	\$574,346,429	\$49,737,788
Imported Spirits	164,446,646	154,750,895	9,695,751
*Canadian Wines	91,932,666	72,435,087	19,497,579
Imported Wines	153,185,964	145,068,266	8,117,698
Canadian Beers	34,791,554	32,833,264	1,958,290
Imported Beers	11,304,616	11,027,012	277,604
<b>Total Sales by Board Stores</b>	<b>\$1,079,745,663</b>	<b>\$990,460,953</b>	<b>\$89,284,710</b>
 <b>Sales by Ontario Wineries and Winery Stores</b>	 <b>\$ 20,918,133</b>	 <b>\$ 15,125,867</b>	 <b>\$ 5,792,266</b>
 <b>Sales by Breweries and Brewers' Retail Stores (exclusive of container value)</b>	 <b>\$ 560,543,160</b>	 <b>\$543,525,831</b>	 <b>\$17,017,329</b>

\*Includes Ontario wine sales of \$86,441,897 during fiscal year ended March 31, 1980 compared with \$69,160,290 during previous year.

# Sales by Gallons

	Fiscal Year Ended March 31, 1980	Fiscal Year Ended March 31, 1979	Increase (Decrease)
Sales by Board Stores			
Canadian Spirits	13,424,903	13,203,440	221,463
Imported Spirits	2,808,361	2,860,610	(52,249)
*Canadian Wines	6,543,288	5,80,397	712,891
Imported Wines	7,181,779	7,517,081	(335,302)
Canadian Beer	7,399,235	7,626,147	(226,912)
Imported Beer	1,060,733	1,150,216	(89,483)
Total Sales by Board Stores	38,418,299	38,187,891	230,408
Sales by Ontario Wineries and Winery Stores	1,528,737	1,273,086	255,651
Sales by Breweries and Brewers' Retail Stores	154,833,954	152,875,369	1,958,585

\*Includes Ontario wine sales of 6,139,134 gallons during fiscal year ended March 31, 1980 compared with 5,564,174 gallons during previous fiscal year.



# Revenue Payments

The Board contributed a total of \$887,141,712 to the Treasurer of Ontario and the Government of Canada, derived from levies on beverage alcohol sold in the province during the year. Of these payments \$400 million was remitted to the Treasurer of Ontario on account of Board profits, representing some three per cent of the Province's 1979-80 revenue.

In addition, the Board paid \$2,477,626 to Ontario municipalities as grants in lieu of realty and business taxes. These amounts do not include corporation, realty and business taxes paid by the distilleries, wineries, breweries and licence holders. Ontario retail sales tax collected by licence holders and agency stores on sales of beverage alcohol is also excluded from these figures.

A summary of the aforementioned revenue payments is as follows:

## Treasurer of Ontario

Remitted by the Board — on account of profits	\$400,000,000	
Ontario Retail Sales Tax on sales through liquor stores	<u>90,253,586</u>	
	490,253,586	

## Remitted by others —

Ontario Retail Sales Tax on sales through retail wine stores and brewers' retail stores	<u>47,275,335</u>	<u>\$537,528,921</u>
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## Government of Canada

Paid by the Board — Customs and Excise Duties	185,350,732	
Federal Sales Tax on spirits, wines and Imported beers	<u>52,924,627</u>	
	238,275,359	

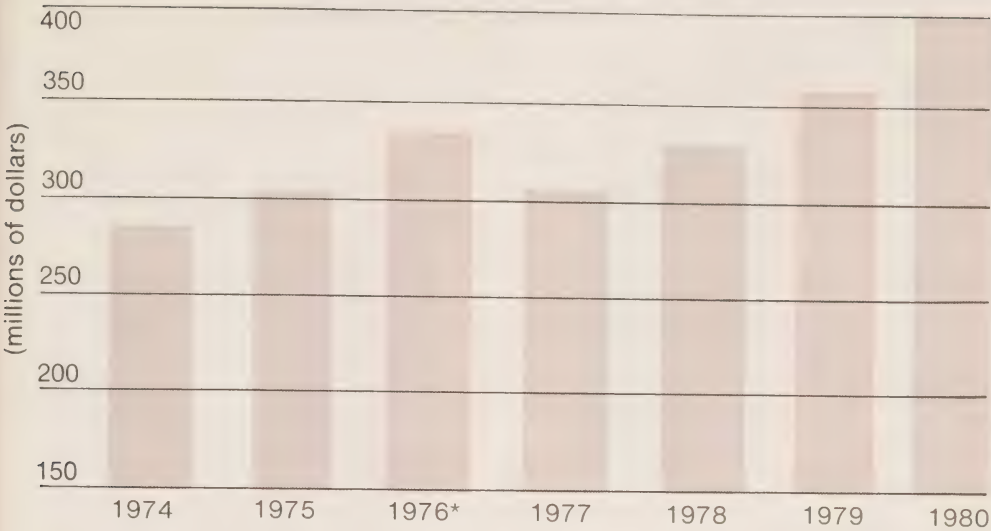
## Paid by others —

malt duties and taxes on domestic beers and wines	<u>111,337,432</u>	<u>349,612,791</u>
		887,141,712

## Ontario Municipalities

Paid by the Board — Grants in lieu of realty and business taxes		<u>2,477,626</u>
		<u><u>\$889,619,338</u></u>

# Net Profit Paid to the Treasurer of Ontario March 31, 1974 – March 31, 1980



\* Prior to January 2, 1976, the net profit of the L.C.B.O included the financial results of the Liquor Licence Board of Ontario.

# Financial Statements

LIQUOR CONTROL BOARD OF ONTARIO  
(Incorporated under The Liquor Control Act, 1975)

## Balance Sheet

March 31, 1980

### ASSETS

	1980 \$	1979 \$
<b>Current</b>		
Cash	—	4,537,625
Accounts receivable, trade and others	2,099,479	1,352,980
Inventories, at cost	126,345,174	111,596,138
Prepaid expenses	585,070	208,885
	<u>129,029,723</u>	<u>117,695,628</u>
<b>Mortgage receivable</b>	<u>—</u>	<u>5,588</u>
<b>Fixed, at cost (note 1)</b>	77,681,775	76,333,630
Less amounts written off	<u>77,681,774</u>	<u>76,333,102</u>
	<u>1</u>	<u>528</u>
	<u>129,029,724</u>	<u>117,701,744</u>

### LIABILITIES

<b>Current</b>		
Bank overdraft	690,436	—
Accounts payable and accrued expenses	69,061,845	66,011,334
	<u>69,752,281</u>	<u>66,011,334</u>
<b>Retained income</b>	59,277,443	51,690,410
	<u>129,029,724</u>	<u>117,701,744</u>

See accompanying notes to financial statements.

Approved: W.J. Bosworth  
Chairman

F.A. MacInnis  
General Manager

## Audit Report

I have examined the balance sheet of the Liquor Control Board of Ontario as at March 31, 1980 and the statements of income and retained income for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at March 31, 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as modified by Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

Toronto, Ontario  
July 29, 1980

F.N. Scott, F.C.A.  
Provincial Auditor

# Statement of Income

Year ended March 31, 1980

	<u>1980</u>	<u>1979</u>
	\$	\$
Sales	1,079,745,663	990,460,953
Cost of sales	<u>558,979,387</u>	<u>525,984,743</u>
Gross income	520,766,276	464,476,210
Operating expenses (note 2)	<u>117,575,496</u>	<u>107,254,806</u>
Operating Income	403,190,780	357,221,404
Other revenue (note 3)	<u>4,396,253</u>	<u>4,208,287</u>
Net income for the year	<u><u>407,587,033</u></u>	<u><u>361,429,691</u></u>

See accompanying notes to financial statements.

# Statement of Retained Income

Year ended March 31, 1980

	<u>1980</u>	<u>1979</u>
	\$	\$
Balance at beginning of year	51,690,410	46,260,719
Add:		
Net income for the year	<u>407,587,033</u>	<u>361,429,691</u>
	459,277,443	407,690,410
Deduct:		
Payments to the Treasurer of Ontario on account of net income	<u>400,000,000</u>	<u>356,000,000</u>
Balance at end of year	<u><u>59,277,443</u></u>	<u><u>51,690,410</u></u>

See accompanying notes to financial statements.

# Notes to Financial Statements

March 31, 1980

## 1. FIXED ASSETS

Fixed assets are written off in the year of acquisition and are carried on the books at a nominal value of \$1.00.

The cost at year end of fixed assets, net of disposals, is as follows:

	<u>1980</u>	<u>1979</u>
	\$	\$
Land	10,987,331	8,782,362
Buildings	48,336,616	47,169,927
Furniture and equipment	9,234,616	12,028,189
Leasehold improvements	<u>9,123,212</u>	<u>8,353,152</u>
	<u><u>77,681,775</u></u>	<u><u>76,333,630</u></u>

Details of fixed assets written off, net of disposals, during the year are as follows:

	<u>1980</u>	<u>1979</u>
	\$	\$
Land	2,205,934	109,007
Buildings	1,224,145	1,229,843
Furniture and equipment	654,091	916,074
Leasehold improvements	<u>875,864</u>	<u>748,506</u>
	<u><u>4,960,034</u></u>	<u><u>3,003,430</u></u>

## 2. OPERATING EXPENSES

	1980		1979	
	\$	% of sales	\$	% of sales
Salaries and employee benefits	86,841,292	8.04	80,293,877	8.11
Rent	9,396,326	.87	8,602,845	.87
Repairs and maintenance	2,877,811	.27	2,997,600	.30
Grants in lieu of taxes	2,477,626	.23	2,284,756	.23
Utilities	2,317,611	.21	2,156,646	.22
Packing material	1,591,184	.15	1,205,571	.12
Stationery	664,154	.06	730,050	.07
Travelling	527,599	.05	464,614	.05
Stock breakage and losses	1,226,761	.11	1,175,863	.12
Agency commissions and expenses	644,639	.06	587,239	.06
Security services	705,480	.07	646,194	.06
Data processing equipment rental and supplies	485,665	.04	449,599	.05
Telephone and telegraph	384,124	.04	358,813	.04
Other	2,475,190	.23	2,297,709	.23
Fixed assets written off	4,960,034	.46	3,003,430	.30
	<u>117,575,496</u>	<u>10.89</u>	<u>107,254,806</u>	<u>10.83</u>

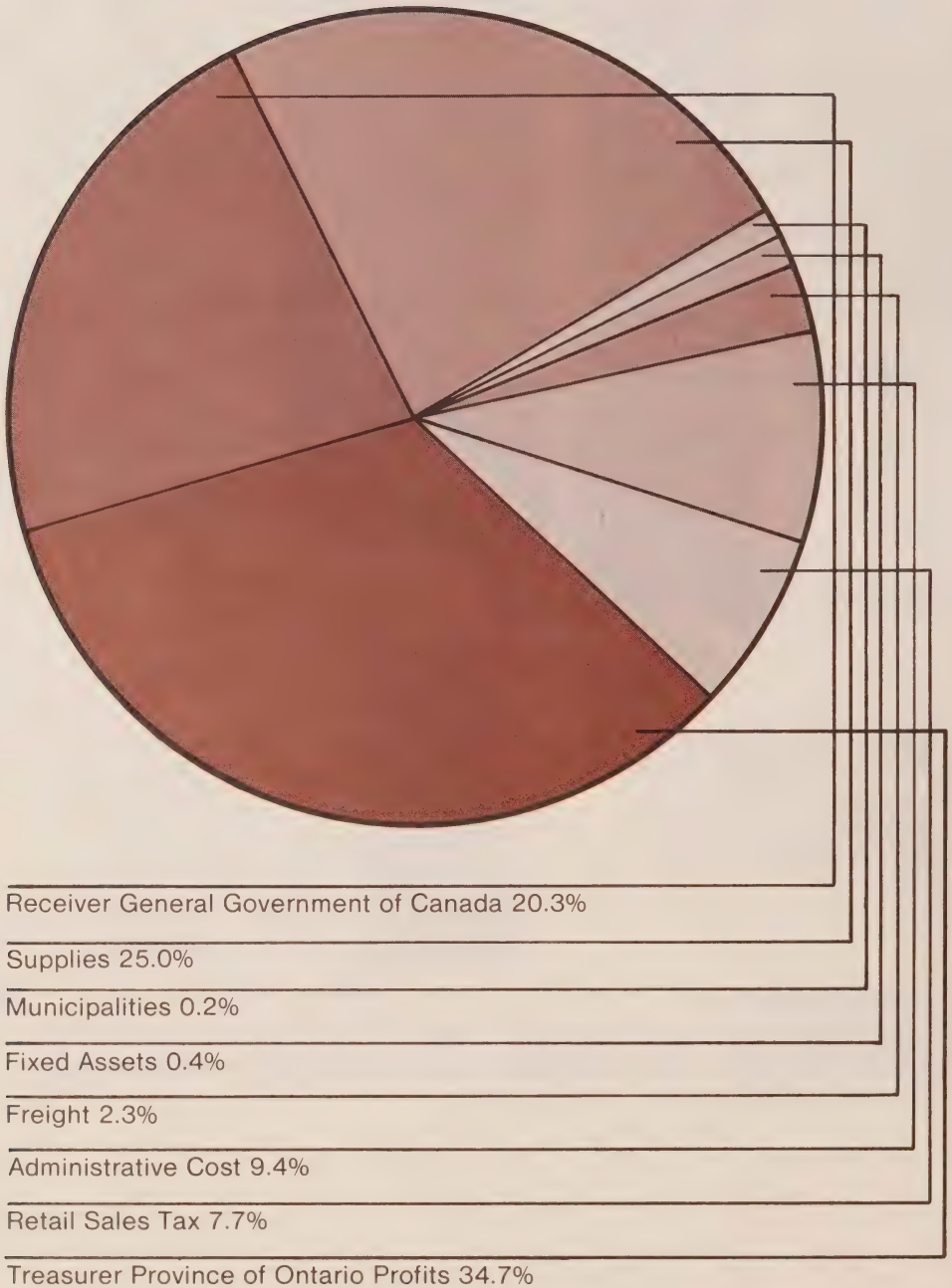
## 3. OTHER REVENUE

	1980	1979
	\$	\$
Ontario wine licence fees	23,575	25,037
Special occasion permit purchase fees	2,765,498	2,887,814
Interest on bank balances	690,171	121,483
Miscellaneous income	<u>917,009</u>	<u>1,173,953</u>
	<u>4,396,253</u>	<u>4,208,287</u>

## 4. COMMITMENTS

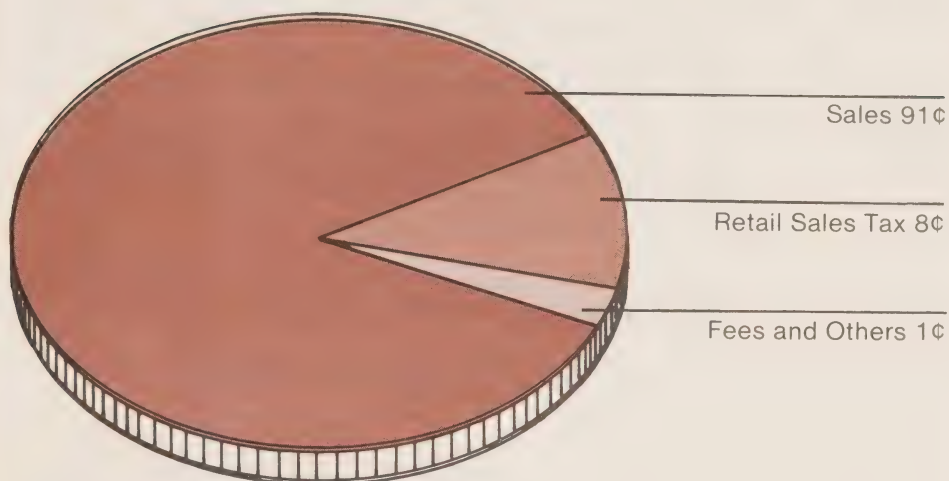
Total commitments as of March 31, 1980 for lease of premises amount to \$49,000,000. Of this total \$8,500,000 becomes payable during the year ending March 31, 1981.

# Liquor Control Board of Ontario Distribution of Gross Revenue 1979 - 1980

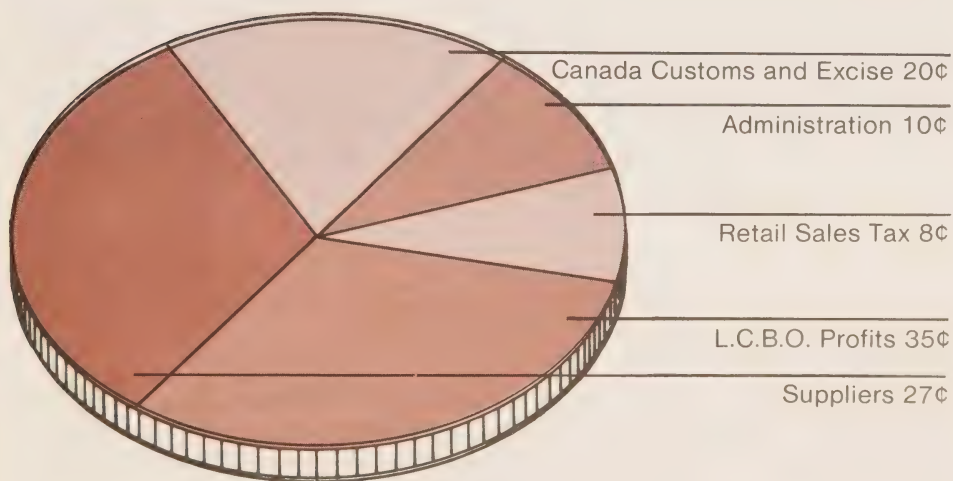


# The L.C.B.O. Dollar 1979 - 1980

## Where it comes from



## How it is spent



# Stores' Operations

## Board Stores

The Board operated 591 stores during the year including the distribution depot in Toronto, two duty-free stores at the Toronto International Airport and two Rare Wines and Spirits outlets.

Six new self-serve stores were opened at the following locations:

September	12, 1979	5389 Ferry Street, Niagara Falls L2G 1R9
September	21, 1979	P.O. Box 98, Verner P0H 2M0
October	29, 1979	1615 Dundas St. East, Whitby L1N 2L1
November	1, 1979	300 Eagleson Road, Kanata K2M 1C9
November	30, 1979	6487 Jeanne d'Arc, Orleans K1C 2R1
February	20, 1980	4361 Highway 7, Unionville L3R 1M1

The following eight stores were relocated and converted to self-serve operations during the year:

Store	From	To
34	1280 Ottawa Street	1320 Walker Road, Windsor N8Y 4T4
46	224 North Front Street	250 North Christina Street, Sarnia N7T 7V3
104	159 Main Street	163 Main Street, Thessalon P0R 1L0
137	150 Howey Street	Discovery Rd., Hwy. 105, Red Lake P0V 2M0
139	High Street	Sutton West Shopping Plaza, Sutton L0E 1R0
166	22 Centre Street	39 Arthur Avenue, Essex N8M 2N1
189	145 Railway Street	Highway 11, Smooth Rock Falls P0L 2B0
240	Main Street	Main Street, Port Rowan N0E 1M0

Other changes to store operations during the year include the converting of an additional 15 conventional Board stores to self-serve operations at their existing locations and the closing of three stores: Store 152 at 1476 Tecumseh Road East, Windsor; Store 497 at Cedar Avenue, Thorne and Store 699 at 3169 Yonge Street, Toronto. In keeping with the Board's policy of conversion to self-serve operations, there were 419 self-serve stores by March 31, 1980, representing 71 per cent of the Board's total number of stores at fiscal year end.

## Agency Stores

During the year, four new agency stores were opened and two agency store licences were cancelled. In addition, one agency store changed ownership and agency store no. 1 was re-assigned following its licence cancellation the previous year. As at March 31, 1980 there were 68 agency stores in operation.

# Breweries and Brewers' Retail Stores

There were 11 breweries located within the province, as well as two in Quebec and two in Manitoba that were licensed to sell beer in Ontario during the year.

Six new brewers' retail stores were opened at the following locations:

April	2, 1979	992 Dundas Street, Woodstock
June	4, 1979	55 Queen Street, Tottenham
July	6, 1979	Highway 6 and Elm Street, Durham
July	31, 1979	Ward Street, Bridgenorth
December	20, 1979	Convent Glen Shopping Centre, Orleans
December	21, 1979	Centennial Plaza, Mississauga

On January 5, 1980 the store at 1439 Weston Road, Toronto closed bringing to 438 the number of stores in operation as of March 31, 1980.

## Sales by Breweries to Other Provinces and Countries

(in gallons)

	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Sales to other					
Provinces	350,064	367,761	162,872	134,536	420,100
Export Sales	<u>22,404,473</u>	<u>18,597,450</u>	<u>12,162,090</u>	<u>10,383,157</u>	<u>8,147,926</u>
	<u>22,754,537</u>	<u>18,965,211</u>	<u>12,324,962</u>	<u>10,517,693</u>	<u>8,568,026</u>

All brands of beer produced by the 13 breweries which are licensed to sell beer in Ontario were analysed periodically by the Board, as in previous years. This quality control process ensures that beer sold in the province conforms with the regulations passed pursuant to The Food and Drug Act of Canada, 1953, and the standards set by the Board.

# Wineries and Winery Retail Stores

On April 1, 1979 Turner Wine Company ceased its winery operations and surrendered its licence. There were 10 wineries in operation as of March 31, 1980.

With the opening of 15 new mini wine stores and two relocations, a total of 123 wine stores (66 regular stores and 57 mini stores) were in operation throughout Ontario as of March 31, 1980.

## Sales by Wineries to Other Provinces and Countries (in gallons)

	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Sales to other Provinces	2,360,801	2,698,785	2,591,790	3,124,471	3,360,683
Export Sales	<u>42,049</u>	<u>76,221</u>	<u>70,244</u>	<u>22,995</u>	<u>27,188</u>
	<u>2,402,850</u>	<u>2,775,006</u>	<u>2,662,034</u>	<u>3,147,466</u>	<u>3,387,871</u>

The tonnage of grapes and apples used by the various Ontario wineries over the past five years is as follows:

	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Grapes used in the manufacture of wine	43,011	44,470	34,269	42,850	44,525
Grapes used in the manufacture of concentrate	1,252	3,817	824	492	268
Apples used in the manufacture of cider	<u>376</u>	<u>608</u>	<u>964</u>	<u>153</u>	<u>774</u>
	<u>44,639</u>	<u>48,895</u>	<u>36,057</u>	<u>43,495</u>	<u>45,567</u>

# Warehousing & Distribution

The reorganization of this function into a separate division recognizes the high priority the Board has given to providing adequate distribution and handling capacity for the over 2000 listings carried by the Board and the number of stores serviced. The development and implementation of a comprehensive distribution plan was begun during the year. Some of the major activities associated with this plan were the installation of additional pallet racking in Kipling, London and Ottawa warehouses, the implementation of a computerised inventory replenishment system for leading imported products and the extension of the time given to stores for delivery of their Christmas stock requirements. Also, work commenced on adding four truck docks at the Thunder Bay warehouse and construction will be completed in the coming year.

These significant changes to physical operations and distribution methods are indications of the Board's continuing efforts to implement improvements in this important area of warehousing and distribution.

## Security Services

During its first full year of operation, this department has initiated programs throughout the Board to improve overall security.

A new electrical system has been designed for store installation which will ensure manager awareness of all door openings. Ongoing security assessments at the store and warehouse level are being made, resulting in recommendations for necessary changes to meet security standards. A survey of store intrusion alarm systems is being conducted with a view to reducing annual costs by effective changes. Also, work has started on a change to "Medeco" locks at stores and warehouses to provide absolute key control and eliminate future lock changes to the premises.

Security topics and their application to Board facilities are now included in the store Managers and Supervisors' training sessions.

Through a continuation of these security programs and the constant appraisal of other security methods by the security department, the Board hopes to ensure asset protection and security awareness in the future.

# Personnel

The number of Board members and permanent employees of the various departments of the Board as of March 31, 1980 is as follows:

Board Members	<u>5</u>
Staff of Departments	
Chairman's Office	1
General Manager	15
Accounting	55
Audit	55
Bottling	17
Building Maintenance	14
Data Processing	35
Distribution Analysis	5
Laboratory	10
Legal	2
Mail & Multigraph	7
Personnel	22
Planning	5
Product Administration	32
Properties Management	14
Purchasing	3
Records Management	6
Security Services	5
Stores	2,884
Store Operations	43
Warehouses	352
Warehouse Administration	<u>16</u>
	<u>3,598</u>

Organizational changes which took place during the year, are reflected in this departmental analysis of permanent employees.

In addition, there were 1,794 temporary employees as of March 31, 1980; of this total, 1,769 were employed in Board stores.











BINDING SECT. JUN 29 1982



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